

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

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August 19, 2024

The City Council of the City of Gardner, Kansas met in regular session on August 19, 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. Johnson County Chairman Mike Kelly presentation on proposed homeless services center.

Johnson County Chairman Kelly said there are a number of gaps in our housing continuum and one of the root causes is affordable housing. There is another known gap at the end of the continuum and that is services for the unhoused and we feel there is a unique opportunity that exists to address this. There is not a 24/7 365 shelter for adults in Johnson County and that is the catalyst for our quest to address a growing unhoused population. reStart was unanimously recommended by a RFP process. There are multiple agencies partnering in this endeavor to potentially support a homeless services center which helps save community resources while it works to try to get people back on their feet and into permanent stable housing. 40% of the people that are homeless in Johnson County are working already but there are unique partnerships for the center that include Workforce partnership Johnson County Community College in addition to the Mental Health Department in Johnson County, and our housing support team that already exists in the Department of Health and Environment. Johnson County will be pledging money to this program and the funds from cities would be a chorus of voices saying we recognize this community need and are willing to put some skin in the game. The funds from the cities are able to be leveraged by reStart as they look for private funding and philanthropic dollars to achieve long-term sustainable fiscal health. We think it's strong fiscal health that it's not one board responsible for the entire funding and the funding is diversified.

Stephanie Boyer from reStart shared additional facts and history about the program and unseen homelessness in Johnson County and reports that were generated. The report indicated a gap in need of about 50 beds that would help the single adult population. There are currently resources for families and youth. In January, there were 250 people experiencing homelessness in Johnson County with 23% being unsheltered. 85% of households were adults only and 40% of this group were employed. The overall system interacted with 685 people last year, so they were able to divert and help some of them. 63% of that group had some kind of income, including employment, social security or disability which is a high rate of people who have income needing a housing solution that matches their income. reStart works in Jackson, Wyandotte and Johnson Counties, established in 1980 and currently serves about 1,400 people per year. Shelter programs are no longer just an overnight stay. They are programs with wraparound support. The goal is an exit out of homelessness. They have a 90% success rate of people exiting homelessness and transitioning into safe, stable housing.

How do people get to this center? It is set up as Coordinated Entry and designed as a program that is referral based. It is not an overnight shelter; it is a program. United Community Services oversees the Continuum of Care and the Coordinated Entry System. This assures we are connecting the right people to the right services and diverting people out of the system as quickly as we can. There are four hubs throughout Johnson County to start an assessment. The Homeless Services Center becomes a new provider within the system. There are two major components to the new Homeless Services Center. The Lodge is 50 units of non-congregate shelter where each person has their own space like a hotel room which allows for more opportunity for better interventions when they know they do not have to be in a large room and will stay in that program for 30-90 days. The Residences is 25 studio apartments for transitional living up to twenty-four months. These are longer term and will generate revenue from the rent of those apartments which will help support the overall operation. There are a lot of community benefits. To provide emergency intervention costs about eighteen times more and seven times more to incarcerate

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and those interventions do not end homelessness. There are a couple existing resources including Street Outreach and Co-Responders, and Mobile Crisis. This plan is for a public-private partnership. About 30% of the operating budget is planned to come from the cities and county with the remaining 70% coming from reStart including grants, foundations, private donations and faith-based community corporations. Currently, the special use process has been submitted to the Lenexa Planning Commission and is set for August 26, then the Lenexa City Council on September 17. If everything gets approved, the plan would be to close on the property at the end of October and expect renovations to be completed September 2025.

Shute asked Kelly how many cities have committed funds when this was not initially on anyone's radar for budget purposes. Kelly said he believes there are 10 that have committed in some way or another. Shute asked what measures are being taken to assure there are no drugs or alcohol in the facility. Boyer said people are searched every time they leave and reenter the building, as well as weekly room searches. Shute asks if there will be consistent law enforcement presence in the facility. Boyer said there will not always be law enforcement on site, but there will be people that work in a security capacity. Everyone entering the building has to be let in by staff and there will be gates at both entrances so we can control who's coming onto the property and into the parking lot. Interior and exterior cameras will be monitored, as well as staff that will do hourly walk throughs both interior and exterior. Shute asks if this is open to anyone, documented or not? Boyer said since this is not a drop off facility and entry is through the Coordinated Entry System; the assessment process helps to ensure this is focused around Johnson County residents and will try to get those others connected to their own community.

Shute asks if Gardner chooses not to fund this, will the county raise the mill levy. Kelly says no and there will not be another request coming back to the cities. This will require us to look into further private and philanthropic funding. Some of the federal grants require an ongoing operation, so we are trying to fund on the front end to address that.

McNeer asks whether those that are undocumented will be allowed in the facility. Boyer said they don't have a lot of immigrant population seeking services, but they would not be eligible for some of the long-term housing programs. McNeer asks what assurances there are to keep the funding long term so that it doesn't come back to the pockets of Johnson County residents. Boyer said the plan is to continue diversifying the funding sources. Grants and federal funding will be applied for, but since the program has not started, they are unable to apply because the program doesn't exist today. McNeer said this will only help a very limited number of people on the long-term side and asks what the accountability is placed on residents to get themselves out sooner rather than later. Boyer said the bulk of the operation is on the short-term side of 30-90 days because they are being re-evaluated on the 30-day mark to assure they are invested and working with their case manager and a housing plan. If they are not, then they will start working on an exit plan, which could take a couple weeks. One strategy would help with applying for benefits they may be eligible for but have not applied for.

Wiehn asks how long reStart has had a partnership with Salvation Army and Catholic Charities. Boyer said they have had strong partnerships on both sides of the state line for a long time. They rely on a lot of agency partners and organizations to help.

Deaton said she has gotten a lot of contact from Gardner citizens who do not want tax dollars being put towards this program.

Baldwin asks about the funding and says they will continue to need funding. He is surprised that 30% of the funding is coming from the county and cities, but it is essentially the county's project and not sure why this would even include the cities. He does not believe taxes should be funding charity programs.

Mayor asked if reStart has managed one of these facilities. Boyer said reStart currently operates a family shelter, a singles shelter and a youth shelter in Kansas City, Missouri as well as multiple transitional housing programs across Jackson and Wyandotte. Mayor asked if those were similar to this plan for housing 50 families. Boyer said all of those shelters include emergency shelters and several transitional housing programs. Because Johnson County already has a family shelter, the data continued to point that the gap here was for single adults. Mayor confirmed the operating expenses are needed for the 2025 budget.

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Shute said Baldwin pointed out that we need to look at the root cause of what drives people out of their homes. Shute shares a graph showing the increase in property taxes at the county level are increasing at a rate 3 times inflation. This is a tax issue. It is not just a county issue, it is also a city issue and school district issue. McNeer said the tax rates in Johnson County have eclipsed inflation by 200% or more. Taxes affect more people with the ability to stay in their homes.

Kelly said it would be very difficult for reStart to start this program without any resources. We are asking for help to get this started. We are all currently spending money on this issue, just through law enforcement and EMS working with these individuals on the street. By being able to provide this resource in a way that is more effective, but also the benefit of getting people to a place where they have permanent stable housing.

McNeer asks who reStart is? Boyer says they are a local non-profit that serves people experiencing homelessness that was established in 1980 with a board of directors that oversees seventeen different kinds of programs all targeted towards people at risk or currently experiencing homelessness. Funding comes from private and public partnerships along with grant funding and private individuals as well as the faith community.

Mayor said no action will be taken tonight, we are just trying to get information and input. The ask is for \$19,000 annually. There was some discussion on whether funds we currently have may be able to be used for this purpose. Shute asked about the one-time funding. Kelly confirmed it is from the state and local fiscal recovery funds from ARPA and CARES Act.

2. Proclaim August 21, 2024 as Fentanyl Prevention and Awareness Day in the City of Gardner.

Mayor Winters read into record a proclamation that August 21, 2024 be known as Fentanyl Prevention and Awareness Day in the City of Gardner, Kansas. Sharen Lucero accepted the proclamation and shared some information about fentanyl awareness.

PUBLIC HEARING

1. Hold a public hearing for the purpose of receiving comments to a request for a Waiver of the Distance Limitation to allow for the sale and consumption of Cereal Malt Beverages for consumption within 200 feet of a school, church or library during Tailgate Tastings at Celebration Park.

Councilmember Deaton made a motion to open a public hearing for the purpose of receiving comments to a request for a Waiver of the Distance Limitation to allow for the sale and consumption of Cereal Malt Beverages for consumption within 200 feet of a school, church or library during Tailgate Tastings at Celebration Park.

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 Shute Seconded.

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

PUBLIC COMMENTS

Frank Bannister, 19815 S. Gardner Rd, said some of the things concerning about living in Johnson County and as a resident of Gardner is there is not even consensus among Commission members on the homeless services center. I feel the funding mechanism is wrong. I encourage you to take a close look at anything that comes to you from the county. I don't trust a lot of what comes before legislative matters from the county commission right now through its leader. I have a concern with the location of the proposed shelter. I anticipate there will be busing or travel from the Missouri side to use the shelter and it's not going to be just for Johnson County residents.

Pamela Harkins 445 E. Shawnee St, I want to do all we can for homelessness. I do not think this shelter is the answer because it is not going to help our people. Why should our taxes pay for people to come from other

states, other counties and our people are still on the streets. I don't want my taxes going for that. I think this whole plan has not been thought through.

Steve Words, 3915 W 102nd St. in Overland Park. I like how you deliberated tonight and asked really good questions. There are two excellent organizations on the Missouri side: City Union Mission and Hillcrest. They have a great track record and could do this for a tenth of what this is budgeted for and would have a great product. One of the things they didn't talk about during this presentation is this is considered a low barrier shelter which means people come in and do not need to stop their drug and alcohol use. That poisons the whole place. I appreciate the approach you took tonight, we want a solution but we don't want a \$10M solution that a bunch of people are involved in.

CONSENT AGENDA

- 1. Standing approval of the minutes as written for the regular meeting on August 5, 2024.**
- 2. Standing approval of City expenditures prepared July 31, 2024 in the amount of \$85,938.20; August 1, 2024 in the amount of \$184,984.08; and August 8, 2024 in the amount of \$874,528.95.**
- 3. Consider a recommendation to award a Progressive Design-Build contract to the Joint Venture Burns & McDonnell/CAS Constructors for a new Hillsdale Intake Structure.**

Councilmember Deaton made a motion to approve the Consent Agenda.

Councilmember Shute 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 a recommendation to implement Master Plan Generation Options.

Utilities Director Gonz Garcia said Kiewit was here in May and did a presentation on the Master Plan. They had several recommendations. The first Master Plan was done in 2006 by Meers Engineering. The focus was the logistic park and mainly power distribution, which is power delivery and substations. In 2017, an inhouse Master Plan was done to make sure we had sufficient infrastructure for the anticipated growth for the next five to seven years. Based on the development over the past two to three years, we retained Kiewit to update the Master Plan looking at generation substation distribution. The GRDA PPA is a power purchase agreement. We entered into an agreement with Grand River Dam through KMEA back in 2005. The terms of the PPA is a capacity of 9 megawatts June through September and 6.75 megawatts October through May. The energy is 24/7 and it is a 21-year agreement. The cost capacity is about \$10.45 for a kilowatt month, which is about \$945,000 annually. The energy cost will vary based on fuel prices, has an average of \$40 per megawatt hour plus a PCA. The annual energy cost is about \$2.6M, then we pay an administration fee to KMEA which is about \$11,000 per month or \$129,000 per year. The annual average cost is \$3.7M. The advantage of PPA is to reduce energy cost, hedge against energy price increases or avoid upfront capital costs. A table was shown that compares one year cost versus 25 years. You will have capacity for 25 years about \$23.6M so the Master Plan offers alternative to a GRDA PPA extension when it comes to paper capacity. Paper capacity is the capacity you buy at the end of the contract you don't have versus having some actual assets that will give you capacity.

Some of the generation options from the Master Plan, the resource is SPP market, GRDA within the Gardner CT1 upgrade and Gardner CT2 upgrade. They also contemplated a Titan-130 which is a gas turbine. Battery storage solar and battery storage solar affordable take. Due to the different costs and prices including energy, the Master Plan shows a cost per kilowatt years so this is the capacity component of a PPA or an investment we will do on an existing asset. On the SPP Market, you are talking about \$355 per kilowatt year. The GRDA PPA is about \$462 per year which is the highest. Doing a Gardner CT1 upgrade will be \$146, Gardner CT2 is \$95. The Titan-130 is \$261. Battery storage is \$199 and Solar plus battery is \$122 and just a straight solar facility is \$125. Looking at those

options, if you look at the actual cost, we can see that the Gardner CT1 and Gardner CT2 upgrade has the lower cost for giving additional capacity. In the Master Plan, the generation recommendations are the inherent problem we have on the gas turbine, which is the ninth stage hook fit, after several years of operation, they will generate a crack on the stationary blades. On the ninth stage, that crack can increase and can come loose and damage the compressor assembly. The repair on unit 2 was done last year. Then we have another problem that we have had for several years, which is the lube oil coolers. We do not have enough cooling capacity during the summer to cool the oil temperatures. On a day of 95 degrees, we can only run the unit for a couple hours before it will trip on high temperature. Then we have a recommendation of upgrading unit 2 from an LA model which we have to an R model that will give us a 2.3-megawatt additional capacity. Then the upgrade of unit 1 will give us 1.4 and the other recommendation to put in a community solar in Gardner. Based on those recommendations, staff recommends to do an upgrade on Unit 2 to R Model and Cooler Replacement in 2025. Authorize Unit 1 upgrade to R Model, do the coolant replacement and also work on the repair to the 9th stage hook fit repair in 2026 and do an evaluation if we're better off owning the facility or going through a PPA for a solar facility.

Baldwin asks if we upgrade the turbines, that's 3.7 megawatts for about \$1.5M per megawatt, but if that's 3.7, how much of that are we already allocating to the power pool, we're not going to get the full 3.7 right? Gonz said right now we are providing about 3 megawatts, 13 megawatts per unit, so that will increase it to 14 and maybe a little more. Baldwin asks about the solar project only being a capacity of 3. Gonz said there is still negotiations which can actually supply 10 megawatts, but that will be a KMEA presentation in a few weeks. We may be able to make the difference through a solar PPA. Baldwin asks if the cost includes land acquisition. Gonz confirms that is not included. Mayor asks about location. Gonz said we would have to acquire land near substation 3 and the new substation 4 on Waverly Rd or Clare Rd. Baldwin likes the idea of evaluating alternatives to the solar. McNeer asks if this is for peak flow conditions and capacity. Gonz confirms. Baldwin explains this is to maintain our required capacity and usage, but we still have to purchase our energy from the power pool. Wiehn confirms that solar allows us to build capacity which goes back to the grid, we just sell it at a lower rate. McNeer asks about the 3 recommendations and asks if the first the one is to bring us up to current. Gonz said these are upgrades so we can put more power out. McNeer asks if this is to keep them functional. He said yes, repair the deficiencies and get more generation. Baldwin asked if we have looked at replacement instead of upgrades since these units are from the 1950s. Gonz said the cost to replace with a refurbished unit was upwards of \$66M. Besides the cost, we would have to apply for a new permit and emission will have to be lower and implies additional regulation that we presently don't have with our existing turbines.

Councilmember Baldwin made a motion to 1) Authorize Unit 2 Upgrade to R Model and Cooler Replacement in 2025; 2) Authorize Unit 1 Upgrade to R Model, Cooler Replacement, and 9th stage hook fit repair in 2026; and 3) Evaluate alternatives to the 9 MWac PV Community Solar (Ownership vs. PPA)

Councilmember Shute Seconded.

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

2. Consider a request for a Waiver of the Distance Limitation and a special event permit to allow for the distribution of samples of cereal malt beverages, wine and spirits within 200 feet of a school, church or library during Tailgate Tastings to be held September 7, 2024 at Celebration Park.

City Clerk Renee Rich said this is related to the public hearing for an event being put on by the city on September 7, 2024 at Celebration Park. This is for a waiver of the distance limitation and special event permit to allow for distribution of samples of cereal malt beverages, wine and spirits at the park.

Councilmember McNeer made a motion to approve a Waiver of the Distance Limitation and a special event permit to allow for the distribution of samples of cereal malt beverages, wine and spirits within 200 feet of a school, church or library during the Tailgate Tastings Event to be held September 7, 2024 at Celebration Park.

Councilmember Deaton Seconded.

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

3. Consider authorizing the City Administrator to execute an inter-fund loan from the Electric Fund to the Airport Fund.

Finance Director Matt Wolff said the next two business items are related to purchasing the Gardner property which is adjacent to the Gardner Municipal Airport. This project has been in the CIP for many years and it is currently one of the top priorities for the FAA. It is located in our Runway Protection Zone. The ultimate funding for this project is 10% local match which will be the airport fund and the remaining will be grant proceeds. We are incurring the expense in 2024 and we're not expecting to receive the remaining grant proceeds until 2025. The airport fund needs an infusion of cash in order to avoid violating Kansas Cash Law. The Airport Fund will also need a 2024 budget amendment in order to avoid violating Kansas Budget Law. It is staff's recommendation to make an internal fund loan from the electric fund to the airport fund in the amount of \$500,000 with a scheduled repayment date of December 31, 2026 at the latest. We anticipate this will actually happen in 2025 and whenever we receive the grant proceeds, we will immediately pay back the loan in full. The loan will not negatively impact the electric utilities operations and the public hearing for the budget amendment and consideration for approval would take place on September 3, 2024.

Baldwin asked if we are using 2026 just to be sure we have a good window of time since it sounds like it should be here in 2025. Wolff confirms there could be a delay when we receive the grant proceed and it could spill over to 2026 and chose December 31 to give a window. Baldwin asks if we are pulling funds from an idle fund that would have been invested. Wolff said yes, and we have done it before and included interest, but based on the feedback, it didn't seem like it was a very strong interest to have the interest component and we expect this to be paid back quickly. The last time, we did not know the timing of the payback.

Councilmember Deaton made a motion to authorize the City Administrator to execute an inter-fund loan from the Electric Fund to the Airport Fund in the principal amount of \$500,000 where repayment is automatic and as such does not require future council action, with repayment date for the full principal loan amount on December 31, 2026 or within 5 business days of the City of Gardner receiving AIP grant funds for the acquisition of the Gardner Tract.

Councilmember McNeer Seconded.

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

4. Consider authorizing the execution of a real property purchase and sale agreement with Mike and Debbie Gardner to acquire private property adjacent to Gardner Municipal Airport.

This item was discussed along with New Business 3.

Councilmember Deaton made a motion to authorize the execution of a real property purchase and sale agreement between Mike and Debbie Gardner and the City of Gardner to acquire private property adjacent to the Gardner Municipal Airport (GMA) in the amount of \$500,000.

Councilmember McNeer Seconded.

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

5. Consider adopting an ordinance authorizing the issuance of general obligation bonds in an amount not to exceed \$3,700,000 to pay the cost of certain water system improvements, all pursuant to Charter Ordinance No. 28 of the City of Gardner, Kansas.

Finance Director Matt Wolff said earlier in this meeting, council approved on consent agenda, the progressive design contract for the Hillsdale Water Intake project. For short-term financing, we're planning to use cash from the water fund, but long term, we're planning to issue bonds. The estimated project cost right now is about \$3.5M for the project. In order for the city to reimburse itself from future bond proceeds for expenses related to the project, the city must formally approve its intent to do so. The proposed ordinance fulfills the city's obligation.

Councilmember Deaton made a motion to adopt Ordinance No. 2808, an ordinance authorizing the issuance of general obligation bonds in an amount not to exceed \$3,700,000 to pay the cost of certain water system improvements, all pursuant to Charter Ordinance No. 28 of the City of Gardner, Kansas.

Councilmember Shute Seconded.

With all of the Councilmembers voting in favor of the motion, the Ordinance passed and was assigned number 2808.

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

6. Consider a recommendation to purchase a 161kV Circuit Breaker for Substation 4 CIP Project EL4005.

Utilities Director Gonz Garcia said this is related to substation 4. Earlier this year, after discussion with different vendors and Evergy, they were indicating that the lead time for any electrical equipment for a substation had up to three-year lead time. Based on that, we began the procurement purchase for equipment for substation 4. On May 1, 2024, we issued an invitation to bid for the purchase of a 161 kV circuit breaker as part of CIP EL4005. We received two bids, one from MVA Power for \$660,000 and the second was from Siemens for \$110, 906. The lead time for MVA was 36-44 weeks and Siemens was 90-100 weeks, which is about two years. Our consultants reviewed the bids and they recommended to go with Siemens based upon the reputation, they have hundreds of breakers installed around the world and due to their low price. We purchased this same breaker in 2016 for \$55,000 so the prices have doubled in 8 years. There are a lot of data center projects within the next four to five years and a lot of solar projects coming so there's a lot of demand for electrical components for substations.

Baldwin is glad that we have had the forethought to look at this where we can save the money and allow the longer lead time. Shute feels like it is only going to get worse as the federal requirements for these items is ramping up the demand and the supply chain issues that have been around since the pandemic are making this difficult.

Wiehn asks if it hurts us because we are only buying one at a time. Gonz said the price does not change and doesn't believe there is a discount for buying in bulk.

Councilmember Deaton made a motion to authorize the City Administrator to execute a contract with Siemens in the amount of \$110,906 excluding sales tax and offloading charges for the purchase of one (1) 161 kV circuit breaker for Substation 4 CIP Project EL-4005.

Councilmember Baldwin Seconded.

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

COUNCIL UPDATES

Wiehn says Center St seems to be going quite well. He had heard it may take two months, but it looks like it is almost complete. Headlee said the contract specified two months, but the project should be done this week or next.

EXECUTIVE SESSION

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 9:02 pm.

City Clerk