

WASHINGTON CITY COUNCIL MINUTES
Regular Meeting – City Hall
April 4, 2022

1. Call to order by Mayor.

2. Roll Call.

Present: Jerry Fuhrken, Council Member
Theresa Herrs, Council Member
Terry Morse, Council Member
Carolyn Pinnick, Council Member
Roxanne Schottel, Council Member

Absent: Ryan Kern, Mayor

Staff Present: Carl Chalfant, City Administrator
Denise Powell, City Clerk

Others: Cynthia Scheer, Washington County News
Kannette Stewart & Hoover Sunflower Sales LLC
Keith & Kevin Guffey, Guffey Properties LLC
Russell Shipley, Shipley CPA, LLC
Sarah Hines, USDA
Justin Dragastin, The Dragastin Insurance Company

3. Citizens Comments.

Kannette Stewart and Ashley Hoover visited with the Council about a water leak at Sunflower Sales Inc. Stewart stated they were not notified of the leak until March. She said they were not disputing the 40,000 gallons of water usage in January but requested an adjustment for the 80,000 gallons of water in February. City Administrator Carl Chalfant stated he adjusted the sewer rate but the City does not typically adjust water as it has gone through the meter. No action was taken by the Council.

4. Minutes.

Motion to approve the minutes of the regular meeting held March 7, 2022, and special meetings of March 11 & 21, 2022, by Morse and seconded by Herrs.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

5. Appropriations Ordinance 2022-04.

Motion to approve appropriations ordinance 2022-04 by Herrs and seconded by Morse.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

6. Keith Guffey, American Realty & Development.

Motion to approve the Utility Incentive Plan request from Keith Guffey, Guffey Properties LLC, landlord for Dollar Tree/Family Dollar, a retail business with an address to be determined, with the following modifications,

that any refundable credit be paid annually by check in January for each preceding year directly to the applicant by Morse and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

City Administrator Carl Chalfant requested Keith Guffey, American Realty Associates, attend the council meeting to discuss assisting the City financially for improvements to 6th Street due to the projected increase in commercial truck traffic at the Dollar Tree/Family Dollar location. The residential chip and seal street will not stand up to the tandem truck traffic. Kevin Guffey, owner of American Realty Associates, stated leases are signed six or seven months prior and he can't help fund the street rehab with actual dollars. Kevin Guffey suggested a common interest development (CID) be placed on the property. CIDs allow commercial property owners to leverage their resources against public funds in order to pay for improvements that enhance their areas in this case to assist with road maintenance. Options discussed were putting no truck traffic signs on sixth street.

7. 2021 Audits.

Motion to accept the 2021 Audits of the City of Washington's finances as prepared by Shipley CPA, LLC by Herrs and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Russell Shipley, Shipley CPA, LLC, external auditor, was present to discuss the audits. Shipley stated everything asked for was received and adjustments were fair to minimal. He did not identify any deficiencies that he considered to be material weaknesses. The results disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Shipley pointed out he would prefer office staff were large enough to provide optimum segregation of duties and recommends the Mayor and City Council remain involved in the daily financial affairs of the City to provide oversight and independent review functions. Shipley also noted that the City was not following its purchasing policy on all purchases in regards to obtaining a minimum of two quotes on purchases from \$201-\$5,000 and having competitive advertised bid invitations on purchases \$5,001 or more. The purpose of a City's purchasing policy is to ensure that the services and goods acquired are the result of transparent, objective, time and cost-effective decision making and risk management. He recommend the City adhere to their policies and procedures adopted. He stated fraud occurs in kickbacks that come out in the procurement side.

Shipley pointed out two funds, employee benefits and ambulance, where more cash was spent than received. He stated to keep an eye on as to what is being spent and to look more closely at them during budget time.

8. Water Project Financing.

Sarah Hines, USDA, joined the meeting by telephone to discuss the variance in finances on the Water Project. Hines was on site March 17th to review funds tracking with City Clerk Denise Powell. The review found some errors in her spreadsheet and expenses that were not listed. It revealed the City started drawing on the grant too early. The City needs to spend \$88,795.80 of the remaining loan. The Rural Development (USDA) loan amount of \$6,150,000 must be expended prior to using any of the Rural Development grant of \$1,320,000. The City's pay off of the bonds was reduced by \$188,288.15 as it had not utilized all the temporary financing.

USDA has graciously approved the city to utilize grant funding on the water tower, water monitoring upgrade (SCADA), GIS Mapping the water system, extension of utilities at the industrial park, and upgrades at the water wells including VFD's, electric and control upgrades, and purchase a backup diesel generator.

Since the total project came under budget and the CDBG Grant is a percentage of the total project that funding was reduced. The \$600,000 grant funds were reduced by \$68,758.

9. Insurance Renewal.

Motion to approve insurance renewal and premiums as presented for April 1, 2022 to March 31, 2023 as presented by The Dragastin Agency in the amount of \$126,994.38 by xx and seconded by xx.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Council Member Terry Morse asked if a bid was sought for insurance. A formal bid was not sought as staff nor the Council were aware of another company that insured power plants. Morse stated Chubb insured power plants and that is who the City of Russell used.

10. Street Improvement Project.

Consensus of the Council was to send out a request for qualifications for engineering a street improvement project with the City paying the engineering fees.

Staff recently visited with Amanda Horn of North Central Region Planning Commission, who inquired if the City was considering applying for a CDBG grant up to \$600,000 to assist with a street improvement project in conjunction with a Kansas Department of Transportation Cost Share Program. Horn stated the City's Low to Moderate Income Survey is guaranteed good for 2022 but not next year.

Both CDBG and KDOT would require the engineer, design and cost estimate be done at local expense and prior to application.

City Administrator Carl Chalfant asked the Council to prioritize which streets they wish to focus on and stated the total project cost must be at least \$1,000,000 to qualify for the KDOT Cost Share grant.

Consensus of the Council was to look at East 2nd and 3rd Street from B Street to Pierce Street along with completing the work on the reinforced concrete boxes; C Street from East 4th to Highway 36; and College Street from B Street to D Street.

11. Curb/Gutter Applicants and Bids.

Motion to approve curb and gutter program applications of Justin & Stacy Svanda, Michael Hattesoehl, Crossroads Community Church, Sharon Pierce & Kevin Keller with a 50/50 cost share by Herrs and seconded by Morse.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Motion to approve sidewalk applications of Dan & Tina Ditmars, Ward Funeral Home, Crossroads Community Church, Diane Ouellette, Wayne & Janeen Stewart, John & Mary Leck and Steve and Debbie Barnes with a 50/50 cost share by Herrs and seconded by Fuhrken.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Motion to accept the bid from Charles Votipka in an amount not to exceed \$10,005.00 for curb & gutter program applications by Herrs and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Motion to accept the bid of Charles Votipka in amount not to exceed \$15,622.25 for sidewalk program applications by Herrs and seconded by Morse.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

12. Housing Cleanup Applicants and Bids.

Motion to approve the 2022 Housing Cleanup Program applications of Peggy Svanda and Midwest Land Holdings, LLC upon completion of final contracts and paperwork by Herrs and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Motion to accept the bid from Orval Jueneman Dozer Service in the amount of \$4,800.00 for demolition and hauling and removal of construction and demolition material for houses located at 216 W 5th Street and 117 W 1st Street as part of the Housing Cleanup Program by Herrs and seconded by Fuhrken.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

13. Summer Employees.

Motion to hire Joel Hoover as summer help at a rate of \$9.50 per hour by Herrs and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

14. Playground Mulch.

Motion to purchase 180 cubic yards of mulch from All Inclusive Rec at a cost not to exceed \$6,775 to be paid out of the Special Park & Recreation budget by Fuhrken and seconded by Herrs.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Staff requested bids for two semi loads of playground mulch for Munchkinland playground. No bids were received by deadline. After the bid deadline, staff contacted both suppliers. Custom Play Systems said they would not be competitive and chose not to submit a bid. All-Inclusive Rec submitted two quotes. One is for 180 cubic yards, which is two full semi loads. The other is for 200 cubic yards as requested, but that would take another partial semi load.

Council Member Carolyn Pinnick stated Andrea Alldredge had a post on Facebook that some boards were broke at the playground. City Administrator Carl Chalfant will look into making the repairs.

15. Voltage Conversion Bids.

Bid Packets were sent out for sealed bids for Voltage Conversion. Staff received one emailed bid which did not meet the requirements set out in the bid tab. Per City Attorney Elizabeth Baskerville-Hiltgen's recommendation staff sent an email to the bidder stating bid requirements were not met with an attached copy of the bid sheet relaying the requirements.

The City Attorney did state there is a reason behind making certain specifications or requirements. If, in the future, the City is okay with receiving bids via email then bid sheets can be adjusted accordingly.

16. Transformer Quotes.

Motion to purchase a 300 KVA three phase pad mount transformer at a cost of \$17,820 plus tax from Midwest Electric Transformer Services by Morse and seconded by Fuhrken.

Vote: Ayes: Jerry Fuhrken
Terry Morse
Carolyn Pinnick
Nays: Theresa Herrs
Roxanne Schottel

17. Executive Session.

Motion to enter into executive session to discuss employee performance of non-elected personnel to include the Mayor, Council, and City Administrator to resume at 7:50 p.m. by Herrs and seconded by Morse.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

18. FR Uniform Bids.

Motion to approve the five-year FR Clothing agreement submitted by Unifirst for two electric production employees and three electric distribution employees at a cost of \$3,117.40 with an approximate 5% rate increase per year to be paid by the Electric Production and Distribution funds by Fuhrken and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Staff will have a Fire Rated Clothing Policy for review in next month's Council packet.

19. USD 108 Prom Street Use Permit.

Motion to approve Street Use Permit for USD 108 Promenade from 5:00 pm to 6:30 pm April 23, 2022, as requested by Tommy Tryon by Herrs and seconded by Fuhrken.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

20. Washington County Fair Board Request.

Motion to approve the Loudspeaker/Sound Amplifier Permit on July 23 & 24, 2022, and Street Use permit for July 23, 2022, as presented for Washington County Fair Board by Herrs and seconded by Morse.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

21. KMU Conference.

Motion to approve David L'Ecuyer, power plant operator, to attend the KMU conference April 27 - 29, 2022, in Wichita by Herrs and seconded by Morse.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

22. Water Tower Project.

Motion to enter into executive session under attorney-client privilege to discuss potential contract dispute to include the Council, City Administrator, City Attorney and City Clerk to resume at 7:56 p.m. by Herrs and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

Motion to authorize payment of half the cost to temporarily relocate electric power lines as part of the water tower project with the City's cost not to exceed \$3,600 by Herrs and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
Theresa Herrs
Terry Morse
Carolyn Pinnick
Roxanne Schottel

City Administrator Carl Chalfant stated the contractor performing the work on the water tower notified the City two weeks ago that there were safety concerns over the proximity of the power lines and the insulating blankets were not sufficient, stating the lines would need to be relocated or de-energized. Staff has been in contact with engineers and contractors to come up with a solution and who is responsible for expense.

23. City Administrator Report.

- a) **HB 2738.** Staff received a request with a short (less than two hours' time frame) for testimony on House Bill 2738, regarding county and city sales tax. This was similar to the Senate Bill 87 that the city submitted last year. Staff prepared and submitted a testimony, and a copy was given to the Council.
- b) **Prairie Land Property Tax Surcharge.** The Prairie Land property tax surcharge (PTS) is included on the invoice received from Sunflower each month and on the EMP2 invoice. It was recently discovered that the surcharge was not being charged to Mankato from January 2019 through January 2022. Mankato has agreed to pay their share of the PTS. The City will receive a one-time credit on the February 2022 EMP2 invoice for its share. Included is a copy of the correspondence and the Prairie Land Property Tax Surcharge True-up worksheet.
- c) **Munchkinland.** Leathers & Associates Development Manager Vivian McClean Bunce contacted staff to inquire about follow up on the recent assessment that was done on Munchkinland. No action was taken.
- d) **Batting Cage.** Washington Ball Association purchased new netting for the batting cage.
- e) **All Way Stop.** City Administrator Carl Chalfant visited with Washington County Sheriff Justin Cordry regarding stop signs at the intersection of 5th St & D St. Cordry's recommendation is not to change the intersection to an all way stop. A copy of his recommendation was given to the Council.
- f) **Goals.** Department heads are working on preparing goals for the next five years for consideration and budgeting. Chalfant would like Council to also work on a list as well. Once received staff will review with Council and develop a 5-, 10-, & 15-year plan.
- g) **CIPP.** Cleaning and camera inspections of the sewer lines are complete. Staff is waiting for a start date from the contractor for installation of the cured in place pipe of the sewer lines.

24. City Clerk's Report.

- a) **Governing Body Institute.** The League of Kansas Municipalities Governing Body Institute & Mayors Conference will be April 29-30 in Manhattan. A flier with conference details was given to the Council. If the Mayor or Council are interested in attending, please notify City Clerk Denise Powell to complete registration.
- b) **Water Project.** City Clerk Denise Powell has been in contact with Orr Wyatt regarding follow-up to claims previously submitted by citizens. A spreadsheet with updates was enclosed. An email was sent to Orr Wyatt on March 9, 2022, asking them to make contact with those that they will not be reimbursing. An updated spreadsheet and correspondence from Annie Jones, Orr Wyatt, regarding an article in the Washington County News following the last council meeting was given to the Council.
- c) **Fuel Adjustment.** The fuel adjustment for bills due April 10, 2022 (February usage) is +.01527 utilizing \$12,000 of expenses that were adjusted to levelize the fuel adjustment on utility bills due to the cold snap February 2021. The remaining expense to be adjusted is \$13,500.00 of the KMEA EMP2 & KMEA GRDA bills.

d) Reports. The Washington County Senior Citizens Meal Site February 2022 financials and Fire Department minutes for March were given to the Council for review.

Motion to adjourn by Herrs and seconded by Pinnick.

Vote: Ayes: Jerry Fuhrken
 Theresa Herrs
 Terry Morse
 Carolyn Pinnick
 Roxanne Schottel

Meeting adjourned at 9:05 p.m.

Denise M. Powell, City Clerk