

KECHI CITY COUNCIL MEETING MINUTES

March 25, 2021

I. CALL TO ORDER/ROLL CALL

Mayor Speer called the meeting to order at 7:00pm

Council present: Brian Adams, Betty Washington, Matt Brewer, Margaret McCormick, and Richard Haddock.

City staff present: Kamme Sroufe, City Administrator; Andrew Kovar, City Attorney; Jessie Woodrow, Chief of Police; Theresa Morlan, City Clerk; Thomas Bevan, Director of Public Works; Kris Brown, Deputy City Clerk; and Joseph Trumbull, Police Lieutenant.

Guests present: Karin Anderson, Lee Boyer, Leif MacMartin, John & Donna Conway, Gary & Janice Know, Rollin & Karen Karg, Dottie Thompson, Jim & Sonya Wilson, Marilyn Penner, Carlos Ramos, Blake Penny, Johanne Pachankis, Cheryl Hobson, Scott Garretts, Debbie Harp, Jim Boone, Taylor Messick and Terry Brown.

A. PLEDGE OF ALLEGIANCE –led by John Speer.

B. APPROVE CONSENT AGENDA

Motion by Betty Washington to approve the Consent Agenda. Seconded by Richard Haddock.

Motion carried 5-0-0.

Consent Agenda

1. Minutes April 11, 2021 Meeting
2. 2021 Contract Renewal City Hall Landscaping – The Arranger

C. APPROVE AGENDA

Motion by Richard Haddock to approve the Agenda with addition of Covid Mask Mandate

Update as II Communications Item A. Motion was seconded by Betty Washington and carried 5-0-0.

II. COMMUNICATIONS

A. Covid Mask Mandate Update – City Administrator, Kamme Sroufe updated council of changes. The County no longer requires masks be worn. City staff will not be required to wear masks when interacting with the public, but partitions will remain in place and social distancing will still be required.

B. Public Forum – John Conway, 672 Prairie Creek Ct. is a 30-year resident and addressed the council regarding sewer increases he has experienced. He feels that sewer rates are like taxes.

- Rollin Karg, 109 Sioux Ct. is a 30-year resident and has concerns with the recent gas issue, referring to it at the second gas snafu that he has experienced in Kechi. He wishes to hear what the council has to say.

- Carlos Ramos, 6200 N Oliver, business owner, addressed council regarding recent gas prices due to extreme cold weather event. Due to the nature of his business, he must watch weather all over the globe and feels the city should have doing so as well. He requests the City to help him keep his business here.

- Blake Penny, 331 N Shawnee Dr. questioned how the recent gas bill to city was computed, and if the prices were elevated for just over a week, why are customers charged the same rate for the gas used all month.

C. Kechi Civic Groups – None

III. OLD BUSINESS

A. Special Assessment – Revised – Kechi Business Park Improvements –

1. **Waiver of Public Hearing** – Rick Alley requested that the terms of the Special Assessment be changed to 15 years from 20 years, and waived public hearing, as this was a revision and public hearing was held March 11, 2021.

2. **Ordinance 1776-21 - An Ordinance levying Special Assessment Taxes on certain real properties in the City, for the purpose of paying a portion of the costs of certain internal improvements benefiting such real properties; providing for the giving of notice of said special assessment taxes by publication and mailing; and providing for the collection of said special assessment taxes.** This amends previous ordinance changing the time period of assessment.

Motion by Brian Adams to approve Ordinance 1776-21, and second by Matt Brewer. Motion carried 5-0-0.

IV. NEW BUSINESS

- A. **Sewer Utility Rates** - City Administrator (CA) Sroufe reported that although the rate study was done for both water and sewer rates, at this time the recommendation is only to change the sewer rate. The sewer utility is in dire need, and the water utility is more stable. and increases in the policy. Council President Adams addressed history of the sewer utility including changes in the metering from Wichita and maintenance and repair issues. Director of Public Works Bevan addressed needed repairs to sewer infrastructure. Questions from residents were answered by CA Sroufe and included how current sewer bills are calculated, if infiltration is being passed on to customers, why base rate no longer includes one unit, when repairs are made and the fund is re-established, will rates go back down, and the city does look at rates from other cities, but established rates based on needs and cost of Kechi's system. She invited residents and business owners to look at the rate study which is posted on the City's website, and to attend City Council meetings as these discussions occur throughout the year, especially during budget process.

Resolution 21-723 - A resolution of the City of Kechi, Kansas Governing Body establishing sewer rates for the City's Sewer Utility.

Motion by Brian Adams to adopt Resolution 21-723. Motion was seconded by Matt Brewer and carried 5-0-0.

- B. **Sewer and Water Utility Connections Fee** - CA Sroufe recommended the tiered connection fees as presented in the sewer and water rate structure. Water connections would be charged a tiered rate based on meter size, while sewer connections would be tiered based on size of connecting pipes.

Resolution 21-724 – A Resolution of the City of Kechi, Kansas establishing connection fees for the City's Water and Sewer Utilities.

Motion by Brian Adams to adopt Resolution 21-724. Motion was seconded by Richard Haddock and carried 5-0-0.

- C. **Young Industrial 3rd Redesign – Supplemental Agreement #1** – CA Sroufe reported that the agreement would be to allow PEC to provide and add alternate design and bid for concrete roads due to amount of truck traffic, and to realign sewer per the developer's request. The increase to the contract would be \$7500 which would be a part of assessed costs.

Motion by Richard Haddock to approve Supplemental Agreement #1 and authorize the Mayor to sign. Second by Matt Brewer and carried 5-0-0.

- D. **Rock Point 3rd Stormwater Inspection Contract** – The cost of the contract, \$6,000, would be covered by the developer. Mid-Kansas Construction Service will perform Stormwater inspections required by KDHE with oversight by the City's Stormwater Inspector.

Motion by Brian Adams to approve the contract pending approval of the City Attorney. Motion was seconded by Betty Washington and carried 5-0-0.

V. Interactive Dialog

A. Department Updates

- 1. Administration – Tyler Technologies Upgrade Status** – CA Sroufe stated the data extraction is underway, and the Current Future State Analysis will be conducted next week. Financial conversion will go live in October and the Utility Billing will go live in February 2022.
- 2. Public Works – Stormwater Update** – Director Bevan stated that EPA will be in Kansas in the coming month to inspect cities for stormwater enforcement. We are compliant and have sent our stormwater form to the state for approval.

B. American Rescue Plan – Through the plan, Kansas will receive \$1.568 billion as a new phase of Covid relief. Cities will receive an estimated \$10,000 to \$100,000 with half received in 2021 and the other half in 2022. There are specified allowable uses with one being to make necessary investments in water, sewer or broadband infrastructure.

C. Legislative Updates – CA Sroufe updated the council on the Property Tax Transparency Bill (SB13) which has passed and is awaiting the Governor’s signature, Countywide Sales Tax Bill (SB87) which is still in committee, and Refund of Property Taxes Bill (SB286) which is scheduled for on March 19. The Property Tax Transparency Bill eliminates the property-tax lid starting this budget year and establishes a notice and public hearing requirement for taxing authorities that were seeking to collect property taxes more than the revenue-neutral rate. She expanded on the notification requirements and implications to the budget and budget process. Countywide Sales Tax bill would change the distribution, and counties would not be required to distribute those funds to cities. Refund of Property Tax bill would allow businesses that were shut down during Covid to request a refund of their property taxes.

D. Code Revisions – Health & Welfare and Building & Construction – The change to Health & Welfare would be to change the grass height from a maximum of 12” to a maximum of 10”, which would keep vegetation more manageable due to time passing during notification requirements. There will be notification to property owners that Public Works will not mow right-of-ways, as that is the responsibility of the property owners by code. This has not always been the case and it will be more equitable to follow the code. The changes to Building & Construction are only to bring code up to date with which International Building Code we are using.

E. Gas Utility Update – CA Sroufe stated that we have received the loan from the state and paid the KMGGA bill. The original estimate for the bill was \$1,188,865, but the actual bill was \$964,575.50. We do have up to 10 years to pay back the loan, and the staff will bring options to the Council on how to distribute the cost.

Discussion: The bill was paid under protest and the process to get possible relief will be a multi-year process, and there are inklings of lawsuits with large corporations, state and national agencies initiating investigations. We did have gas in storage which was purchased during warmer months that we draw from during the higher use months. The amount allowed to be put into storage and amount drawn out are regulated. The City is required by law to keep gas flowing, and if bill had not been paid, we would be permanently banned from the market.

Residents and business owners expressed concerns about mechanisms to prevent the spot market, whether there were communities that did experience running out of gas, what the charge to customers would have been for each mcf, what will the cost be to residents, residents being charged equitably, will there be an option to pay their portion all at once, how is gas billed, will the bill follow those who move, did Kansas Gas Service and Black Hills experience the same price increases, will there be meetings after models are developed that residents can attend and what was the gross revenue the city received in 2020.

The staff will present different structures and scenarios to the council of equitable options keeping in mind what our billing software can accommodate. The City wants to minimize the impact to residents and find the right fit. Some of the issues we experienced were due to the wide-spread extreme cold and freezing well heads in areas that are not used to experiencing below freezing temperatures. Any relief or subsidies will go to pay back the loan thus shortening the time needed to pay the loan and the time customers would be charged fees related to the loan. The first payment on the loan is due in July, and the interest rate is 0.25%.

VI. ADJOURNMENT

Motion by Richard Haddock and second by Brian Adams to adjourn. Motion carried 5-0-0. Meeting was adjourned at 8:34pm.

Signed: _____
Brian Adams, City Council President

Attest: _____
Krista Brown, Deputy City Clerk