

KECHI CITY COUNCIL MEETING MINUTES
March 28, 2019

I. CALL TO ORDER

Mayor, John Speer called the regular meeting of the Kechi City Council to order. The time was 7 PM

Council present: Kevin Opat, Betty Washington, Brian Adams, Margaret McCormick & David McConaughay

Staff present: Robert Conger, City Administrator; Nicole Bailey, Finance Director; Laura Hill, City Clerk; Larry Kallenberger, Director of Public Works, John Blevins, Chief of Police; Victor Heiar, Police Officer; Andrew Kovar, City Attorney

Visitors present: Taylor Messick, Ark Valley News; Curtis Zerr, ICI; Eric Meyer, George Bowerman & Noel, P.A.; Dustin Avey, Piper Jaffray; Doug Bonnesen, Cathy Bonnesen, Titus Day, Rebecca Day, Justin Clegg, Forrest Clegg, Thomas Painter, Ryan Painter, Vincent Long, Ryan Long, Seth Beebe, Debra Weniger, Boy Scout Troop 404 & Parents; Gloria McDowell, SKEDD

A. PLEDGE OF ALLEGIANCE

Colors were presented by BSA Troop 404

B. APPROVE CONSENT AGENDA

Motion by Kevin Opat to approve the consent agenda. Second by Margaret McCormick. Motion carried 5-0-0.

Consent agenda

1. Approve minutes March 14, 2019

C. APPROVE AGENDA

Motion by Kevin Opat to approve the agenda with addition of an item F under Section IV for discussion of landscaping and to change Adjournment to Recess in order to hold a workshop for Personnel Matters on April 11 at 6 PM. Second by Margaret McCormick. Motion carried 5-0-0.

II. COMMUNICATIONS

A. PUBLIC FORUM-None

B. KECHI CIVIC GROUPS/COMMITTEES-Curtis Zerr, Arts & Business Committee; gave a brief update on the activities of the group.

C. INTRODUCTIONS

1. New Staff member – John Blevins, Chief of Police introduced newly hired Police Officer, Victor Heiar.

D. Chris Morlan, Zoning & Planning Administrator; 2019 Real Property Valuation Report
Morlan, gave a power point presentation for the annual property valuation of the 4 different taxing entities for the city limits of Kechi.

III. OLD BUSINESS -None

IV. NEW BUSINESS

A. ERIC MEYER, GEORGE BOWERMAN & NOEL, P.A. – 2018 Audited Financial Statements

Mr. Meyer, presented the 2018 Audited Financial Statements to the council. Reviewed the unencumbered cash balances for years end with the council. Discussed his concern regarding the Sewer Fund balance but stated he understood there was a billing issue with the City of Wichita, suggested the city take a look at adjusting the rates in the near future. Also suggested moving the revenue from the funds with the higher balances moving the excess to the reserve funds. There was some discussion regarding the need for a project tracking or purchase order system within the accounting program. He

stated the city is growing and having many projects and expenses relating to certain improvements & they are getting more and more difficult to track. The expense needs to be recorded as contracts are approved within the accounting program and likewise with those expenses relating to those contracts so that anyone can see at a given time how much money is left for the project or in the fund. He reported right now those are being tracked with an excel spreadsheet by the City Treasurer, but it doesn't allow access to others who may need to know on any given day what the balances are.

Motion by Brian Adams to accept the 2018 Audited Financial Statements. Second by Margaret McCormick. Motion carried 5-0-0.

B. 2019 Insurance Renewal-Curtis Zerr, ICI- 2019_2020 Property & Liability Insurance Renewal
Curtis Zerr, ICI Insurance, City's Agent for EMC Insurance presented the renewal for approval, total premium amount of \$ 71,833.00. Discuss this amount was up \$1,772.00 from the prior year due to the automatic increase of 2% for the property, some additional for autos the city had added as well as an increase in the Public Official Liability. Reminded the council that EMC offers a dividend each year when there are little or minimal claims throughout the group covered under EMC. No other agency offers such dividend. Report the dividend the city received in 2017 was \$11,067.69, which helps offset the overall cost of coverage to the city.

Motion by Kevin Opat to approve the 2019_2020 Renewal & authorize the Mayor to sign. Second by Margaret McCormick. Motion carried 5-0-0

C. Dustin Avey, Piper Jaffray & Co. -City's Financial Advisor

1. Temporary Improvement Notes-Sale Results- Mr. Avey presented the results on the sale of the General Obligation Temporary improvement notes Series A in the amount of \$1,140,000 which took place at 11 AM earlier today. There were two Bidders Commerce Bank with an overall interest rate of 2.193868% and Oppenheimer & Co with an interest rate of 2.318800%. He stated we are very please with the rate & recommended the lower rate from Commerce Bank be accepted.

Motion by Brain Adams to approve the bid of 2.193% from Commerce Bank authorizing the Mayor to sign the bid form. Second by Betty Washington. Motion carried 5-0-0.

2. Resolution 19-699 – A resolution providing for the issuance of general obligation temporary improvement notes of the city of Kechi, Kansas, in the total principal amount of \$1,155,000, as authorized by Ordinance No. 1730-18, 1731-18 and 1735-19 of the city, in order to provide funds for the temporary financing of the costs of construction of certain internal improvements in the city by said ordinance; and providing the terms, details, form and conditions of said general obligation temporary improvement notes.

Andrew Kovar, City Attorney presented the Resolution 19-699 for adoption which provides for the issuance of the temporary notes.

Motion by Kevin Opat to adopt Resolution 19-699 providing for the issuance of general obligation temporary notes of the City of Kechi for improvements within Kechi Business Park & a portion of the Main Trafficway Project. Second by Brian Adams. Motion carried 5-0-0.

D. Playhouse Grant Contracts- Nicole Bailey, City Treasurer; presented items for adoption with regards to the recently awarded Playhouse Grant in the mount of \$250,000.

On January 10, 2019 the Kechi City Council approved Resolution 19-692 certifying the legal authority for staff to apply for a 2019 Small Communities Community Development Block Grant on behalf of the Kechi Playhouse.

On March 6, 2019, representatives from the Kansas Department of Commerce conducted a site visit and met with the property owner and staff.

On March 14, 2019, staff was notified the City had been awarded the full \$250,000 grant pending approval of a Grant Agreement and a Repayment Agreement.

The Grant Agreement details the obligations of the City in the receiving and disbursing grant funds, monitoring and reporting, and close-out procedures.

The Repayment Agreement details terms in which the property owner and/or the City of Kechi would have to repay the grant funds to the State of Kansas Department of Commerce.

To safeguard the City throughout the project and in the event, repayment is triggered, the City Attorney has drafted a Subrecipient Agreement which details the obligations of the property owner to the City. Part of this agreement requires the property owner to submit a petition for the creation of a Community Improvement District (CID) consisting of only the Kechi Playhouse property. The creation of CID enables the City to assess any Phase I or Phase II costs incurred by the City.

Action as follows:

1. Grant Agreement

Motion by Kevin Opat to approve the Grant Agreement No. 10-CR-001 between the City of Kechi and the State of Kansas Department of Commerce and authorize the Mayor to sign. Second by Betty Washington. Motion carried 5-0-0.

2. Match Fund – Repayment Agreement

Motion by Brian Adams to approve the Repayment Agreement between the City of Kechi and the property owner Misty Maynard and authorize the Mayor to sign. Second by Kevin Opat. Motion carried 5-0-0.

3. Subrecipient Agreement

Motion by Kevin Opat to approve the Subrecipient Agreement between the City of Kechi and the property owner, Misty Maynard & authorize the Mayor to sign. Second by Brian Adams. Motion carried 5-0-0.

E. Purchase Order Module Request for Accounting System-Nicole Bailey, City Treasurer presented a request for a Purchase Order module for the city's accounting system.

The City's expenditures related to capital projects have increased from \$548,523 in 2016 to \$3,831,897 in 2018.

As a cash basis entity, the City has not historically recorded contracts as they are accrued.

At the recommendation of the City's auditor, the City began tracking accrued contracts using an excel spreadsheet in 2018. Budget reports were then ran and the amount left on each contract was subtracted from the unencumbered fund balance to determine the amount of cash left in each fund.

As capital project expenditures increase, the practice of tracking accrued contracts using an excel spreadsheet alone becomes increasingly less reliable.

In 2019, the City's auditor recommended the City utilize a purchase order module to track accrued contracts within the accounting system. The practice of recording accrued contracts in the accounting system assists staff in ensuring capital projects and operational expenses stay within budget. The module is a one-time charge of \$2,100 plus a \$150 annual licensing fee. The costs include installation and training.

Motion by Brian Adams to approve the agreement with gWorks to add the purchase order module to Summit Accounting System and authorize the Mayor to sign. Second by Margaret McCormick. Motion carried 5-0-0.

F. Landscaping City Campus – Mayor Speer requested this topic be put on the agenda as the season is upon us for landscaping. He asked the status of the City's landscaping plan as the design was approved earlier in the year. Robert Conger, City Administrator said that an RFP would need to be drawn up for a not to exceed price of \$7,500 as this is what the budget could bear for 2019. This would only be for a portion of the design which was submitted by the Bonnesen's. As the council is putting together the budget for 2020 other elements of the design could be considered. He suggested to work with the Bonnesen's to pull out some of the most desirable parts of the design which would give the most bang for the buck & be the most visible to the front of the City Hall campus for 2019. Council suggested there would be time to bring back suggestions to the April 11, meeting.

Other Information:

Chief Blevins reported due to a scheduling conflict the annual Severe Storm Safety meeting has changed from April 2nd to April 10th combining with Park City at Park City, City Hall 6:30 PM.

V. EXECUTIVE SESSION-none

VI. RECESS

Motion by Betty Washington to recess until April 11 at 6 PM for a workshop. Second by Brian Adams.
Motion carried 5-0-0.

Signed: _____
John Speer, Mayor

Attest: _____
Laura Hill, City Clerk