

City Commission of Arkansas City Meeting Minutes

The Arkansas City Board of City Commissioners met in regular session at 5:30 p.m. April 4, 2017, in the Commission Room at City Hall, 118 W. Central Ave., in Arkansas City.

Mayor Duane L. Oestmann called the meeting to order. Those also present at roll call were Commissioner Dan Jurkovich, Commissioner Charles Tweedy III, Commissioner Jay Warren and Commissioner Karen Welch.

City employees present at the meeting were City Manager Nick Hernandez, City Attorney Tamara Niles, Public Information Officer Andrew Lawson, City Clerk Lesley Shook, Finance Director Kathy Cornwell, Public Works Director Eric Broce, Assistant Public Works Director Mike Crandall, Neighborhood Services Superintendent Richard Brown, City Planner Josh White Fire Chief Bobby Wolfe and Police Chief Dan Ward.

South Central Kansas Medical Center officials in attendance were chief executive officer Virgil Watson and chief financial officer Holly Harper. Andale Construction was represented by Chet Beers, Pat Lemons and Pete Molitor.

Citizens in attendance included Albert Brown, Ken Harader and Ark City Daily Bytes reporter Jeni McGee.

Commissioner Warren offered the opening prayer. Mayor Oestmann led the pledge of allegiance.

Agenda Approval

Commissioner Tweedy made a motion to approve the agenda as presented. Commissioner Jurkovich seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the agenda approved.

Recognition of Visitors

SCKMC CEO Virgil Watson said the hospital has been improving every month and his people have worked hard to stabilize the hospital financially. He thanked everyone who fought (unsuccessfully) for expanded KanCare.

City Manager Hernandez asked about Sen. Larry Alley's (R-Winfield) position against the proposal. Watson said Alley did not believe the numbers presented by the Kansas Hospital Association in light of the state budget issue.

Watson said the failed proposal could have meant as much as an additional \$1.7 million of annual revenue for SCKMC. Hernandez observed that would be enough cash inflow to allow for an early retirement of the sales tax.

Commissioner Warren asked Watson if SCKMC will continue to improve financially despite the failure of KanCare expansion. Watson said no one thing will fix the issues, but the seeds they have planted are starting to sprout.

Commissioner Warren asked about physician recruitment. Watson said it is tough right now, but the recruiting group still is working on two prospects. SCKMC also is starting to network with similar hospitals on the issue.

Commissioner Tweedy asked if any revenue had been lost in the surgery department as a result of Dr. Tyson Blatchford's recent auto accident. Watson said a little, but other physicians have been helping to cover the load.

SCKMC CFO Holly Harper then presented the January/February financial overview for the medical center. The average daily census has more than doubled over this time last year, mainly due to the new Senior Health Unit.

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Surgeries are down 28 percent, however, but outpatients and emergency visits both are up slightly from 2016.

Commissioner Warren asked if any surgeries are going to other facilities. Harper said SCKMC still has not adequately replaced the loss of Dr. Siwek's orthopedic services. Hernandez suggested sharing a surgeon with another facility. Harper said they shared Siwek with El Dorado and are looking into similar future arrangements.

Commissioner Warren asked about sharing with Ponca City, Oklahoma. Harper said Watson is working on that.

Gross revenue is down slightly from this point in 2016, but operation revenue is up nearly \$500,000, again due mainly to the Senior Health Unit. While that is offset somewhat by professional fees, it still represents a gain.

As a result, SCKMC is showing a net profit of about \$150,000 so far in 2017 — the first profit in more than a year.

While the total accounts payable have increased slightly from February 2016 to \$2.1 million, the portion that is more than 120 days overdue has been paid down from \$531,000 to just \$249,000, as of February 2017. Harper said that amount is now down to zero as of early April and that will be shown on the final March numbers.

Medicare revenues have nearly doubled from December 2016, once again due to the new Senior Health Unit. In general, accounts receivable are up more than \$1 million from the end of last year, Harper noted.

Commissioner Warren asked about improvement in coding. Harper said it is better, but still a work in progress.

Harper said the new senior unit had 237 patient days in January, 247 in February and 309 in March. The goal was to average 260 per month. The average daily census of the unit is 8.71, exceeding the goal set at 8.4.

Commissioner Warren asked where the next nearest comparable unit is located. Harper guessed it is in Kinsley.

Mayor Oestmann asked about the extended hours at South Central Kansas Clinic. Harper said weeknights are the busiest and Saturday mornings not so much. She said going to other days or longer hours is staff dependent.

Comments from the Audience

Albert Brown, 818 South C St., said he was concerned about Gov. Sam Brownback's veto of KanCare expansion and what it would mean for South Central Kansas Medical Center. He worries about its ability to keep improving.

Commissioner Jurkovich said the hospital could have gained \$1.7 million, but it has been making due without that money thus far. Brown asked for an update on the extent of the impact. Watson promised to provide that.

Commissioner Warren said SCKMC is doing many other things to improve and wasn't counting on this money.

City Manager Hernandez said the citizens of Arkansas City basically are making up the difference on the expanded money the state declined to provide by continuing to pay the 10-year, one-cent SCKMC Sales Tax.

Brown asked if SCKMC is starting to pay the City back on the loans it extended yet. Hernandez said they are not.

Brown commended hospital staff on their work, but said he wanted them to stand on their own from now on.

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Ken Harader, 1313 N. First St., referenced several recent development initiatives and asked the City to enforce its codes related to beautification and property maintenance, especially at Family Dollar, 1313 N. Summit St.

He said the wind blows trash out of the store's dumpster enclosure all over the neighborhood and the gates' latches also do not function correctly. He asked for the store to do its part to keep the neighborhood clean.

Harader also complained of nighttime deliveries at the store that are not being made during business hours, as originally promised. Mayor Oestmann asked how often this happens. Harader said once every five weeks or so.

He appealed to the commissioners to require the store to perform more property maintenance than it currently is doing. Commissioner Warren asked City Attorney Niles what the City could do to enforce Municipal Code.

Commissioner Tweedy asked about the penalties. Niles said that if the trash is not cleaned up 10 days after a notification letter is sent, the City can clean it up and either bill the company or fine it in municipal court.

Hernandez said he would recommend sending the 10-day letter. Neighborhood Services Superintendent Brown said he would send the letter, but he tried to set up a meeting between Harader and the new manager.

Brown said he was sick and missed the meeting, but Harader also missed it. Hernandez instructed him to reschedule the meeting and, if the store does not respond appropriately, to issue the store a citation in court.

Consent Agenda

Commissioner Tweedy made a motion to approve the consent agenda as presented, including the following:

1. Approving the March 21, 2017, regular meeting minutes as written.
2. Resolution No. 2017-04-3094, scheduling a public meeting at noon April 14, 2017, in the city manager's office at City Hall, 118 W. Central Ave., for a study session on code enforcement and building regulations.
3. Resolution No. 2017-04-3095, authorizing the City to enter into an agreement with the Secretary of the Kansas Department of Transportation to authorize the Secretary to undertake and complete the U.S. 166 bridge replacement project across the Arkansas River.

Mayor Oestmann asked for more information about the third item. Public Works Director Broce said the commissioner authorized detour routes last year, but this agreement would reapprove the project itself. The master agreement needed to be updated because bid letting was pushed back to October 2018, he explained.

Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the consent agenda approved.

Old Business

Expiration of Board Terms **Resolution No. 2017-04-3096**

City Clerk Shook presented for discussion a second reading of a resolution amending the procedure for expiration of and appointment to City advisory board terms.

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Public Information Officer Lawson said he had added chart showing all of the proposed changes. Several boards were left unchanged, but he said he was open to commission input regarding whether to move them to February.

Mayor Oestmann asked about the need for new charter ordinances to change appointment dates for the SCKMC and Arkansas City Public Library boards of trustees. Lawson said the resolution directs staff to work on those.

Commissioner Jurkovich asked about the new election schedule. Lawson said the general election is in November and the new commissioner terms will begin on the second Monday in January following that election.

Commissioner Tweedy asked about the Public Building and Recreation commissions. Lawson said he would have to talk to the Rec Commission because the school district and state statute also are involved in that decision.

The commissioners instructed staff to move all of the other applicable board appointment dates to February 1.

Mayor Oestmann made a motion to approve the resolution, with an amendment to exclude the Recreation Commission at this time. Commissioner Tweedy seconded the motion. A voice vote was unanimous in favor.

Mayor Oestmann declared the resolution approved and given Resolution No. 2017-04-3096.

SCKMC Board of Trustees

City Clerk Shook presented for discussion the ratification of Mayor Oestmann's reappointment of JoLynn Foster to the South Central Kansas Medical Center Board of Trustees.

Mayor Oestmann said the SCKMC Board of Trustees requested Foster's reappointment. He asked if any other commissioners objected to that reappointment. No other commissioner raised an objection.

Mayor Oestmann made a motion to approve the reappointment of Foster. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the motion approved.

New Business

North 15th Street Reconstruction **Resolution No. 2017-04-3097**

City Clerk Shook presented for discussion a resolution authorizing the City to enter into an agreement with Andale Construction, Inc. for a design-build project approach to reconstruct North 15th Street from Radio Lane to the north City limits, for an amount not to exceed \$637,371.87.

Public Works Director Broce introduced the three Andale officials in attendance and summarized how their patented super slurry process works. He said the chief advantage is saving on cost and lessening closure times.

Andale showed two videos — one demonstrating how a grader will improve the base and a cement truck will inject the slurry mix into the soil to stabilize it; the other showing the application of roller compacted concrete.

Mayor Oestmann asked about the impact on local residents during the entire reconstruction project.

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Andale said the project will be broken into three phases to minimize impact. During the periods of closure, the company will do whatever it can to minimize the impact, including ferrying residents to their property on carts.

Commissioner Warren asked about funding. City Manager Hernandez said the project will exhaust the remaining street sales tax funds, to be supplemented by Federal exchange dollars and the Special Streets Fund.

Broce said the rest of the resurfacing will be done as part of the 15th Street bridge replacement later this year.

Commissioner Warren made a motion to approve the resolution. Mayor Oestmann seconded the motion.

A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the resolution approved and given Resolution No. 2017-04-3097.

Broce said the schedule will be dependent on delivery of the box culvert, but the goal is to finish by mid-August.

Rezoning 1007/1009 S. Summit

Ordinance No. 2017-04-4429

City Clerk Shook presented for discussion a first reading of an ordinance authorizing the rezoning of property at 1007 and 1009 S. Summit St. from R-3 (High-Density Residential District) to C-3 (General Commercial District).

City Planner White said the rezone request was filed by KanPak LLC for the two houses it has acquired across the street from its main facility. The area currently is used as parking for employees and also for a KanPak trailer.

White said the Comprehensive Plan and Future Land Use Map both show the area transitioning to commercial zoning anyway, so the Planning Commission voted on March 14 to recommend the rezoning be approved.

Commissioner Warren asked what KanPak's plans for the property are. White said Jace Kennedy indicated the area will remain parking for the near future, but eventually the company might construct something else there.

Commissioner Warren made a motion to approve the ordinance. Commissioner Jurkovich seconded the motion.

A roll call vote was unanimous in favor of the motion. Mayor Oestmann declared the ordinance approved and given Ordinance No. 2017-04-4429.

Amending Two Job Titles

Ordinance No. 2017-04-4430

City Clerk Shook presented for discussion a first reading of an ordinance amending Ordinance No. 2016-12-4422 by fixing the compensation for amended job titles, pursuant to the provisions of K.S.A. Section 12-1001 *et seq.*

City Manager Hernandez said the title changes will reflect better Richard Brown's and Josh White's roles in the organization. Brown will become the Building Official and White the Principal Planner. No pay rates will change.

Brown will have fewer supervisory duties and White has gained additional planning duties beyond his GIS work.

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Mayor Oestmann made a motion to approve the ordinance. Commissioner Tweedy seconded the motion.

A roll call vote was unanimous in favor of the motion. Mayor Oestmann declared the ordinance approved and given Ordinance No. 2017-04-4430.

Summit Water Line Replacement **Resolution No. 2017-04-3098**

City Clerk Shook presented for discussion a resolution authorizing the City to enter into a contract agreement with Nowak Construction, of Wichita, for the South Summit Street water line replacement project (U.S. 77 from Pierce Avenue to Tyler Avenue), for an amount not to exceed \$274,378.75.

Public Works Director Broce said there were six bidders on the new water line, but he recommended going with the second-lowest bidder (Nowak) because the City had a previous bad experience with the lowest bidder, Middlecreek Corporation, on the water line extension to Patterson Park Subdivision that cost the City money.

The project was 167 days later and the issue was settled for \$76,000 in liquidated damages, but there have been subsequent repairs at the City's cost and Cowley County also had to be reimbursed, again at the City's cost.

Broce said this project has an extremely tight timeline and any delays will impact the resurfacing work by Cornejo. He said he doesn't have confidence in Middlecreek to meet the timeline. Reference checks were mixed.

Commissioner Tweedy asked how quickly Nowak could start. Broce said as soon as the paperwork is approved.

Commissioner Warren said part of Middlecreek's failure was due to weather, but it mainly was due to the company being stretched too thin on other jobs. He said that pipeline should have been a simple project to build.

Commissioner Jurkovich said the Nowak bid is about 15 percent higher than Middlecreek's, but is within \$9,000 of the two next lowest bids. Broce said that makes him worry what Middlecreek might have left out of its bid.

Commissioner Warren asked how many feet of water line will be replaced. Broce estimated between 2,400 and 2,500 feet. He said the existing water valves will be removed from the intersection of U.S. 77 and the bypass.

City Manager Hernandez asked how many days Middlecreek would have to be late before the cost would be roughly equal to Nowak's bid in terms of total cost. Broce estimated around 61 working days, or three months. But that calculation assumes there will be no additional costs with Cornejo due to such a significant time delay.

Broce said he doesn't know how to put a dollar figure on the substantial impact to the public that would result from such a delay. He said this is a more complicated job than the last one, with 15 services to be impacted.

Commissioner Jurkovich asked if Middlecreek could be excluded from future bids, in light of this project history.

Mayor Oestmann made a motion to approve the resolution. Commissioner Tweedy seconded the motion.

A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the resolution approved and given Resolution No. 2017-04-3098.

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Summit Water KLINK Project **Resolution No. 2017-04-3099**

City Clerk Shook presented for discussion a resolution authorizing the City to enter into a contract agreement with Cornejo and Sons LLC, of Wichita, for the 2017 South Summit Street KLINK resurfacing project (U.S. 77 from the Arkansas River to Tyler Avenue), for an amount not to exceed \$557,398.70.

Public Works Director Broce said the City will not receive the full \$300,000 in matching funds because these were some of the lowest, most competitive asphalt bids he ever has seen (\$200,000 below engineer's estimate).

Commissioner Warren made a motion to approve the resolution. Commissioner Tweedy seconded the motion.

A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the resolution approved and given Resolution No. 2017-04-3099.

City Manager Updates

City Manager Hernandez said the handling of donated funds for the Wilson Park Master Plan will be handled through Legacy Regional Community Foundation. It will track the funds and send out 501(c)3 letters. The funds could be earmarked for specific pieces of the plan and can be paid over multiple years.

He said Legacy can offer more services than the City and it will help the community project to stand on its own.

Hernandez said the Legacy board meets April 20. He might ask if it will waive the 2-percent administrative fee.

He said J.R. Stelzer Co., of Lincoln, Nebraska, will be in town by the end of the month to sandblast the existing paint off the Wilson Park train. The overall lead abatement process will cost about \$100,000, he indicated.

L.G. Pike Corporation has volunteered the labor of its staff to help with casting of parts and metal fabrication.

Hernandez said the train will be lit from below, but the front, marker, rear and interior cab lights will be rewired so they stay lit, too. There will be a camera in the train cab to help cut down on inappropriate behavior.

He said the bell will be restored so kids can ring it again and the City also will reattach the steam whistle, so it can be hooked up and sounded to kick off special events such as the Arkalalah Festival and Last Run Car Show.

Hernandez talked about the sister train in Marceline, Missouri. It was only three engines behind the Arkansas City train. It has been fenced off since 1955 and never played on, so it will serve as a historic reference for us.

Ron Carroll Sandblasting will assist with the finish sandblasting and new painting, while Hinson Construction built the supports for the plastic shell that surrounds the train engine in order to keep any lead dust contained.

Hernandez there will be a grand rededication ceremony when all the work is done, probably before Arkalalah.

The train never will be ADA accessible, he said, but the fall zone protection that will be installed should prevent any serious injury from up to 10 feet high. There also will be "Climb at Your Own Risk" signs installed in the area.

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Hernandez said the City will seek Community Development Block Grant funding for park rehabilitation and new construction, which will not affect any of the other funding tracks.

The City also will apply for up to \$500,000 for the Brad Meek and Highland water line replacement project, which would pay for half of the cost. Hernandez said this project is a perfect match for CDBG funding goals.

He then previewed the April 14 study session, saying he wants to focus on issues of contractor and landlord licensing, roofing requirements, the makeup of the Building Trades Board, and the Technical Advisory Committee.

Hernandez also plans to explain the Quick Problem Resolution process and requirements for stamped plans. He thinks more than 95 percent of the existing issues can be solved at the TAC/QPR level, before going to any board.

Other Business

Public Information Officer Lawson asked if the commissioners saw the advisory board minutes from January and February in the agenda packet. Three commissioners thanked staff for including these board reports now.

He and City Manager Hernandez also reminded the commissioners about the Outstanding Young Student Award reception at 6 p.m. April 10 at Cowley College's Robert Brown Theatre.

Adjournment

Commissioner Welch moved to adjourn the meeting. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the meeting adjourned at 7:53 p.m.

THE ARKANSAS CITY
BOARD OF CITY COMMISSIONERS

Duane L. Oestmann, Mayor

ATTEST:

Lesley Shook, City Clerk

Prepared by:

Andrew Lawson, Public Information Officer