

City Commission of Arkansas City - Regular Meeting Minutes

The Arkansas City Board of City Commissioners met in regular session at **5:30 p.m. April 3, 2018**, in the Commission Room at City Hall, located at 118 W. Central Ave. in Arkansas City.

Mayor **Dan Jurkovich** called the meeting to order. Commissioners also present at roll call were Commissioners **Kanyon Gingher, Duane L. Oestmann, Jay Warren** and **Karen Welch**.

City employees present at the meeting were City Manager **Nick Hernandez**, City Attorney **Tamara Niles**, City Clerk **Lesley Shook**, Public Information Officer **Andrew Lawson**, Finance Director **Kathy Cornwell**, Assistant Public Works Director **Mike Crandall**, Fire Chief **Bobby Wolfe**, Police Chief **Dan Ward** and Human Resources Manager **Marla McFarland**.

The Equal Opportunity and Accessibility Advisory Board was represented by **JoAnn Bierle**. South Central Kansas Medical Center (SCKMC) was represented by Board of Trustees Chair **Carol Hearne**, Chief Executive Officer **Virgil Watson** and Chief Financial Officer **Holly Harper**.

Citizens in attendance included **Mitchell Gingher, Vicki Jackson, Derek Koller, Gareth McGee**, Ark City Daily Bytes reporter **Jeni McGee** and Cowley CourierTraveler reporter **John Shelman**.

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

Agenda Approval

At Mayor Jurkovich's request, Commissioner Oestmann made a motion to approve the agenda with the addition of a proclamation of April 16 as Cowley College Student Support Services Day.

Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the agenda amended and approved.

Awards and Proclamations

Mayor Jurkovich issued a proclamation that April is **Fair Housing Month** in Ark City. JoAnn Bierle received the proclamation on behalf of the Equal Opportunity and Accessibility Advisory Board.

Mayor Jurkovich issued a proclamation that April 16, 2018, is **Cowley College Student Support Services Day** in Ark City. No one from Cowley College was present to receive the proclamation.

Recognition of Visitors

SCKMC CFO Holly Harper presented the hospital's monthly report with the February financials.

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Commissioner Warren asked Harper to outline her job duties. She said everyone at SCKMC has “other duties as assigned.” In addition to accounting and finance functions, she also supervises multiple departments, including the pharmacy, purchasing and physical therapy functions.

Harper showed a slide providing an overview of the hospital’s plan for implementing efficiencies and identifying areas of growth to strengthen the current organization during the next year or so.

She said SCKMC had “a pretty ugly 2017,” financially speaking, and the goal for this year is to eliminate the negative deficit so the medical center hopefully can become profitable in 2019-2020.

Through February 28, she said, SCKMC is about \$200,000 in the black. City Manager Hernandez asked if projected profit in 2019-2020 would be enough to cover tax revenues that will end in April 2019. Harper projected enough additional tax collections to cover the gap through about 2021.

She showed a “scorecard” of individual operations. While SCKMC and South Central Kansas Clinic (SCKC) are running positively, the Senior Health Unit and Winfield Medical Arts (WMA) are not.

Overall, though, the medical center is still about \$60,000 ahead of where it was at this time in 2017.

Harper attributed this mainly to the elimination of two travel nurse positions, as well as both increased prices and reduced costs at the hospital cafeteria. She also cautioned that the Senior Health Unit’s poor performance so far is due to deduction timing and it should recover in 2018.

She admitted WMA’s performance has been disappointing since its acquisition in October 2017, but a task force has been commissioner to stabilize the clinic’s operations, which appear to be due to a combination of high costs and low volumes of visits (although these have shown a slight uptick).

Mayor Jurkovich asked why the visits are down, despite the addition of more physicians. SCKMC CEO Virgil Watson speculated that it could be due in part to SCKMC’s acquisition of the clinic.

He also said illness among providers has been a recent issue, so a provider at Cowley HealthWoRX clinic was moved temporarily to cover some of the shortfall, which has helped with the problem.

So far, Harper said, the Direct Primary Care program at Cowley HealthWoRX has resulted in very high patient satisfaction, good utilization and evidence the service is valued highly by employees.

In fact, patient satisfaction already is in line with levels achieved in six years in a Garden City clinic.

The limited numbers of visits and high contractual costs associated with operating an emergency room (ER) have prompted SCKMC officials to investigate adding urgent care services to the ER.

Harper showed bar graphs indicating average daily census is right in line with the first three months of 2017, while average length of stay followed a similar trend. This includes Senior Health.

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Commissioner Oestmann asked Harper why WMA is spending nearly twice as much as it is taking in, and whether there are too many benefits and professional fees and/or if salaries are too high.

Watson said the problem is “all of the above.” Commissioner Oestmann asked if the physicians are maintaining expected levels of service. Watson said they are not and he is considering cutting days.

Commissioner Oestmann asked Watson how many suggestions made by Quorum Health Resources in its 2016 review of SCKMC have been implemented. Watson said “just about all of them” had.

Mayor Jurkovich asked Watson if there is any feedback on how the new billing program is working. Watson said there have been a “few bumps in the road,” but now it is starting to meet expectations.

Jeni McGee, with Ark City Daily Bytes, asked Watson if WMA was enrolled in the 340B pharmacy program as of April 1, which was his original goal. He admitted that they didn’t meet the January deadline because he was not able to get the needed cost information in time. It now will be July 1.

Watson then talked about his plans to implement 24/7 urgent care in the ER starting June 1.

Commissioner Oestmann asked how much that service potentially could save in fees and unpaid ER bills. Watson said it was hard to quantify, but he hopes to double the daily visits to 40 or more.

He showed a photo of the current ER setup and indicated where the urgent care rooms could be located. Hernandez talked about how urgent care could help the City to reduce its premiums.

He said that of 32 ER visits by City employees through the first nine months of the plan year, with an average cost of \$937 per visit (\$300 to each employee), many of them were not true emergencies.

Watson said incoming ER patients will be triaged at the entry desk to determine whether they are true ER cases or simply need urgent care. If a room is available, registration will be at the bedside.

Commissioner Gingher said 5,660 ER cases (78%) in 2017 were “code green,” or not emergencies. She also explained how little of an ER claim is paid by Medicare and Medicaid reimbursements.

Consent Agenda

Commissioner Welch made a motion to approve the consent agenda, including the following:

1. Approving the **March 6, 2018**, regular meeting minutes as written.
2. **Resolution No. 2018-04-3162**, authorizing the purchase of three 4RE Standard DVR in-car camera recording systems and three VISTA HD Extended Capacity body-worn cameras for the Arkansas City Police Department from WatchGuard Video, of Allen, Texas, for a total amount not to exceed **\$19,290.00**.

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Commissioner Gingher seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the consent agenda approved.

New Business

SCKMC Board of Trustees

City Clerk Shook presented for discussion Mayor Jurkovich's appointments to the **South Central Kansas Medical Center Board of Trustees**. There currently are nine applicants for two vacant seats.

Public Information Officer Lawson said one application came in after the agenda packet was completed. He suggested the commissioners table these appointments for further consideration.

Mayor Jurkovich asked Carol Hearne if she had anything to add, as outgoing board chair. She explained the process by which the board makes its recommendations to the City Commission.

Mayor Jurkovich asked Derek Koller if he would like to speak. He said he just wants to see the hospital become more financially solvent. He said he is the co-owner of Land Rush Antique Mall.

Koller said he has 10 years of experience as a paramedic at William Newton Hospital (WNH), as well as years of experience in the Wesley Medical Center emergency room. He promised, if appointed, to do more as a Winfield citizen to build ties with WNH and attend its board meetings.

Commissioner Warren asked City Manager Hernandez and SCKMC CEO Virgil Watson to schedule a joint meeting of the City Commission and the Board of Trustees prior to the April 17 meeting.

Mayor Jurkovich made a motion to table the two board appointments until the **April 17** meeting.

Commissioner Gingher seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the motion approved.

Presbyterian Manor Bonds **Resolution No. 2018-04-3163**

City Clerk Shook presented for discussion a resolution authorizing the issuance by the City of Wichita of its Health Care Facilities Revenue Bonds for the purpose of financing and refinancing the acquisition, construction, improvement, and equipping of **Arkansas City Presbyterian Manor**.

City Attorney Niles said the City of Wichita's bond issuance also provides funds to improve the Arkansas City facility, but the City of Arkansas City also must approve the bond issuance first.

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This measure will not create liability on the City's part, she explained. Wichita will issue the bonds.

Mayor Jurkovich opened the public hearing. No one chose to speak. He closed the public hearing.

Commissioner Warren made a motion to approve the resolution. Commissioner Oestmann seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the resolution approved and given **Resolution No. 2018-04-3163**.

2019 Budget Planning Retreat **Resolution No. 2018-04-3164**

City Clerk Shook presented for discussion a resolution scheduling a public meeting of the City Commission – at a date, time and location to be determined – to discuss the 2019 City budget.

City Manager Hernandez requested having it again at Commissioner Warren's cabin, located west of Arkansas City at 2776 272nd Road. He suggested breakfast at 8 a.m. and starting discussion at 9 a.m.

Commissioner Oestmann made a motion to approve the resolution, scheduling the meeting to start at **8 a.m. April 28** at Commissioner Warren's cabin. Commissioner Welch seconded the motion.

A voice vote was unanimous in favor of the motion. Mayor Jurkovich declared the resolution approved and given **Resolution No. 2018-04-3164**.

New Recycling Trailer Grant **Resolution No. 2018-04-3165**

City Clerk Shook presented for discussion a resolution authorizing Mayor Jurkovich to sign a contract between the City and the Secretary of the Kansas Department of Health and Environment (KDHE) for partial funding of the purchase of a 25-cubic-yard recycling trailer under KDHE's Fiscal Year 2018 Solid Waste Grant Program, for an initial purchase amount not to exceed **\$13,700.00**.

Assistant Public Works Director Crandall said the City actually will only pay **\$3,425.00** (or 25 percent) and KDHE will pay the remaining \$10,275.00 (75 percent). City Manager Hernandez said the new trailer will be painted purple and located at Arkansas City Middle School.

The City currently has two 18-cubic-yard recycling trailers, both of which fill up quickly after being dumped three times a week. A third trailer is used during Saturday recycling at the central shop.

A fourth, larger trailer will help greatly as recycling of solid waste continues to increase each year, from 273,124 pounds in 2014 and 526,348 pounds in 2015 to 611,191 pounds in 2016 and a new high of 731,430 pounds in 2017. Current trends indicate recycling could top 800,000 pounds this year.

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Hernandez said the City is awaiting bids for a “one-armed bandit” truck to start curbside recycling.

He also said Public Services Supervisor Brian Edwards and Sanitation Lead Trence Robinson will attend WasteExpo 2018 in Las Vegas to learn about new sanitation technologies and techniques.

Mayor Jurkovich made a motion to approve the resolution. Commissioner Welch seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the resolution approved and given **Resolution No. 2018-04-3165**.

Change Order Agreement No. 1 **Resolution No. 2018-04-3166**

City Clerk Shook presented for discussion a resolution authorizing the City to enter into **Change Order Agreement No. 1** with Cornejo & Sons, LLC, of Wichita, regarding the Summit Street paving and water line improvements project (Walnut to Kansas), for an amount not to exceed **\$41,528.17**.

Assistant Public Works Director Crandall said this change order is for additional work performed by Cornejo & Sons on Radio Lane (from Summit Street to 15th Street), to include milling and overlaying the shoulders from Sixth Street to Summit Street, as well as additional intersection improvements at Maple Avenue and Summit, which were not included in the original contract.

The change order will increase the project contract amount from \$1,800,693.05 to **\$1,842,221.22**.

Commissioner Oestmann made a motion to approve the resolution. Commissioner Gingher seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the resolution approved and given **Resolution No. 2018-04-3166**.

Change Order Agreement No. 2 **Resolution No. 2018-04-3167**

City Clerk Shook presented for discussion a resolution authorizing the City to enter into **Change Order Agreement No. 2** with Cornejo & Sons, LLC, of Wichita, regarding the Summit Street paving and water line improvements project (Walnut to Kansas), for an amount not to exceed **\$25,998.75**.

City Manager Hernandez said this change order is for work performed by Cornejo & Sons to repair damage caused by Kansas Gas Service in the alley behind Rakie’s Oil Company.

He said the City will submit an invoice to Kansas Gas Service for reimbursement. The change order will increase the project contract amount from \$1,842,221.22 to **\$1,868,219.97**.

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Commissioner Warren made a motion to approve the resolution. Commissioner Welch seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the resolution approved and given **Resolution No. 2018-04-3167**.

City Insurance Renewal

City Clerk Shook presented for discussion renewal of City insurance coverage for property, liability, vehicles, and equipment with EMC and United Agency, for a total not to exceed **\$218,920.00**.

City Manager Hernandez said the City has received quotes for comprehensive insurance coverage – excluding workers compensation – for the coverage year of April 1, 2018, through March 31, 2019.

The current total insurance premium of \$202,106.00 was an increase from \$181,581.00 in 2015-26 and \$187,989.00 in 2016-17, and it will increase by an additional \$16,814.00 in 2018-19.

Hernandez said the biggest driver of this is business auto insurance, which will increase from \$55,519.00 to \$64,437.00 due to six significant auto accidents last year involving City vehicles.

Commissioner Warren asked if the total premium exceeds what was budgeted in 2018. Hernandez and Finance Director Cornwell said it is slightly higher than what was projected in the budget.

Commissioner Oestmann made a motion to approve the insurance coverage renewal.

Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Jurkovich declared the motion approved.

City Manager Updates

City Manager Hernandez informed the commissioners of the following upcoming events:

- A police and fire-EMS appreciation luncheon at **11:30 a.m. April 5** at First Baptist Church;
- Spring Cleanup Day, which will begin at **8 a.m. April 7** under the rotunda at Wilson Park;
- The Outstanding Student Award nominees' reception at **6 p.m. April 9** at the Brown Center;
- A legislative forum, sponsored by both local chambers of commerce, at **noon April 10** at the Baden Square Community Center, located at 700 Gary St. in Winfield;
- The next quarterly Traffic Safety Committee meeting at **10 a.m. April 13** in his office;
- The county Health and Safety Fair from **9 a.m. to noon April 14** at Winfield High School;
- The Outstanding Student Award banquet at **6:30 p.m. April 23** in the Earle Wright Room;
- A study session on the 2017 audit, which will be scheduled for **noon April 27** in his office.

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Hernandez said the Arkansas City Police Department's annual report will be presented at the next meeting, as long as the agenda is "light," and a pair of new fire-EMS vehicles is almost completed.

Other Business

Commissioner Oestmann asked if the Summit Street paving and water line improvements project finished under budget, with the addition of the two change orders approved during this meeting.

City Manager Hernandez said they constituted additions to the budgeted amount, but estimated the increase was a small percentage of the total amount approved. He did not know the exact amount.

Mayor Jurkovich asked about the school insert in utility bills. Hernandez said USD 470 printed it.

Adjournment

Commissioner Warren moved to adjourn the meeting. Mayor Jurkovich seconded the motion. A voice vote was unanimous in favor. Mayor Jurkovich declared the meeting adjourned at **7:10 p.m.**

THE CITY OF ARKANSAS CITY BOARD OF CITY COMMISSIONERS

Dan Jurkovich, Mayor

ATTEST:

Lesley Shook, City Clerk

Prepared by:

Andrew Lawson, Public Information Officer