

City Commission of Arkansas City Meeting Minutes

The Arkansas City Board of City Commissioners met in regular session at 5:30 p.m. June 6, 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 Jay Warren, Commissioner Charles Tweedy III and Commissioner 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, Public Works Director Eric Broce, Building Official Richard Brown, Fire Chief Bobby Wolfe, Arkansas City Fire-EMS Department Capt. Ken Corcran, Police Chief Dan Ward and Human Resources Manager Marla McFarland.

South Central Kansas Medical Center was represented by Chief Executive Officer Virgil Watson and Chief Financial Officer Holly Harper. Senior Chemical Engineer Ty McGown represented Burns & McDonnell Engineering Co., Inc.

Representatives of the Arkansas City Lions Club, Early Bird Lions Club, and Lionesses in attendance included Kenneth Gilmore, Dennis Goans, Carol Goldwater, Ted Kadau, Bud Kendrick, Charles Kinzie, Sue Lancaster, Bob Mathews, Simion Melly, Carl Mills, Delbert Oestmann, Paula Plush, Rex and Sylvia Riggs, Luke Schmidt, Mary Schneider, Leland Sweetwood, Jim Trenary, and Don and Sara Ward. Other citizens in attendance included Albert Brown Jr., Kanyon Gingher 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.

Awards and Proclamations

Mayor Oestmann issued a proclamation that June 17, 2017 is Lions Clubs International Centennial Celebration Day in Arkansas City. The proclamation was received by Arkansas City Lions Club President Luke Schmidt, Lionesses President Carol Goldwater and Acting Lions Club President Sue Lancaster. They invited City officials to their annual Inter-City Picnic that day at the Agri-Business Building, starting with a lion statue dedication at 5 p.m.

Consent Agenda

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

1. Approving the May 16, 2017, regular meeting minutes as written.
2. Ratifying Mayor Oestmann's appointments of Pam Crain and Bonnie Niles to the Outstanding Young Student Award Committee.

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

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Recognition of Visitors

South Central Kansas Medical Center CFO Holly Harper reported average daily census in 2017 is up to 18.11 from 9.74 last year, attributable mainly to the new Senior Health Care Unit, while surgeries are down 29 percent. Outpatient visits are up by 5 percent over last year and emergency department visits have risen by 5 percent.

Gross revenue is up by \$11.4 million, but deductions have increased, as well. This led to a \$6.7 million increase in total operating expenses, so while net profit is at \$627,000, that was supported by the \$819,500 from sales taxes.

Hospital operations by itself (with sales tax) had a loss of \$533,700, Harper said, while South Central Kansas Clinic lost \$113,600. The Senior Care Unit is producing profit of \$420,000 and the lab outreach program is at \$854,000.

Without the sales tax, Harper said, the hospital's loss would have been \$1.3 million. She clarified that the sales tax revenue is being used only to pay the bond principal and interest, not to supplement SCKMC's operations.

Harper said SCKC just started receiving Rural Health Clinic reimbursements, but still has trouble with some Medicaid payers. Those higher reimbursements only started showing up in the last two months, she reported.

Commissioner Jurkovich asked about depreciation. Harper said it was on the balance sheet, but not this summary.

She said the \$1.5 million in available cash is misleading because most of that has been spent now. SCKMC still owes the City \$1.155 million in loans, plus \$2.6 million of its \$22.9 million long-term debt is in the form of special assessments still owed to the City, as well. She said special assessment repayment will begin later this summer.

Harper said the commercial portion of the accounts receivable has grown, but so has private pay (both underinsured and uninsured) and Medicare. About \$200,000 of private pay is written off to bad debt per month.

She attributed much of the problem to high-deductible plans and said she recently saw an \$11,000 deductible.

The 121+ days wedge on the accounts payable graph is finally gone and the 91-120 days category is down to just \$38,326. Current bills now account for more than half the payables and 31-60 days represents more than 75%.

The Senior Health Unit has exceeded its target goal for patient-hours for three straight months (March—May).

Mayor Oestmann asked if the extended hours at SCKC are helping with ED load. Harper said it is helping those with commercial insurance, for those private pay customers, they often don't even have the ability to pay copays.

Albert Brown asked if the sales tax number included both the half-cent and one-cent sales taxes. Harper said yes.

Commissioner Warren asked SCKMC CEO Virgil Watson if anything good will come of the ongoing federal health care overhaul. Watson said he hopes they fix some things in the Affordable Care Act, but keep the good things.

He said he is pushing to get a Federally Qualified Health Clinic here in 2019 (it's currently only in Winfield) because they help to support rural hospitals by providing free, subsidized care to those who can't afford it.

Commissioner Warren asked about physician recruitment. Watson said the most recent prospect declined to come to SCKMC, but one of the orthopedic surgeons in Winfield is working to become credentialed at SCKMC.

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Old Business

Board Appointments

City Clerk Shook presented for discussion Mayor Oestmann's appointments of Kim Hocker and Michelle Dykes to the Arkansas City Recreation Commission (ACRC).

Mayor Oestmann said Dykes will provide new blood and Hocker can take over Ron Smith's seat, leaving the at-large position open for the Rec Commission to possibly appoint Smith to take over Hocker's current position.

Commissioner Tweedy recommended doing something to stagger the two appointments. City Attorney Niles said she would have to research the interlocal agreement with the school district to see if that is a possibility.

Mayor Oestmann made a motion to ratify his appointments of Hocker and Dykes to the Arkansas City Recreation Commission. Commissioner Tweedy seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Oestmann declared the pair of appointments approved.

New Business

Personnel Policy Updates

City Clerk Shook presented for discussion three personnel policy updates — Recruitment, Selection and Hiring; Promotion, Transfer, Demotion and Reclassification; and Employee Records.

Human Resources Manager McFarland said the policies are mainly concerning internal processes. There have been some minor adjustments in the first two policies and a new section on interns was created.

The records policy relates only to employee personnel records. The nepotism policy was loosened slightly to prohibit only relatives in the same chain of command, but potentially allowing them in the same department.

Commissioner Welch asked how many years records are kept. McFarland said none ever had been destroyed.

The new policy allows for physical destruction after two to six years, depending on the type of record, while personnel and medical files will be kept in digital form for 40 years, and workers' compensation files for 30 years.

Mayor Oestmann made a motion to approve the personnel policy updates. Commissioner Tweedy seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the motion approved.

Dangerous Structure Demolitions

City Clerk Shook presented for discussion a resolution scheduling a public hearing at 5:30 p.m. July 18, 2017, at City Hall to determine if structures located at 108 E. Jackson Ave. and 1011 South C St. are unsafe and dangerous.

City Manager Hernandez said the commissioners either could follow the hearing process as laid out in the resolution, which would take at least six more weeks to resolve the issue (and potentially 90 to 120 days more), or they could declare both structures as imminent dangers and order their immediate demolitions.

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Building Official Brown said he wouldn't bring the structures before the commission for immediate demolition if he didn't think they were imminent hazards. He said these is the only the second and third times he's done so.

Brown said Polo Garcia is not cooperating at all on 108 E. Jackson and the building is beginning to lean to the east, threatening the adjacent structure. The commissioners agreed that it appears to be in danger of collapsing.

Commissioner Warren asked if there is any liability for the City. City Attorney Niles said the City Commission has immunity under state law for legislative actions. A decision to tear down the houses or not is at their discretion.

Brown said he received a bid for \$6,350 to tear down the structure. Hernandez said the City can't beat that bid.

In the case of 1011 South C St., Brown said, the property owner wants to demolish the structure. If she cannot obtain a bid lower than the \$2,300 bid he received, she would like the City to tear it down and she will reimburse.

Commissioner Warren made a motion to declare 108 E. Jackson Ave. an imminent danger and order its immediate demolition. Commissioner Welch seconded the motion.

A voice vote resulted in four aye votes and one nay vote, with Commissioner Jurkovich dissenting. He said he voted against it because Brown was not sure if the property owner saw the letter of notice posted on his door.

Commissioner Jurkovich made a motion to declare 1011 South C St. an imminent danger and order its immediate demolition. Commissioner Warren seconded the motion. A voice vote was unanimous in favor.

Mayor Oestmann declared both imminent danger motions approved.

Purchase of New Tanker **Resolution No. 2017-06-3106**

City Clerk Shook presented for discussion a resolution authorizing the purchase of a 2018 Freightliner chassis with a Toyne 3,000-gallon tanker from Weis Fire and Safety, of Salina, for an amount not to exceed \$226,185.00.

Fire Chief Wolfe said this purchase originally was budgeted in 2016 and delayed due to the hospital. Since then, an apparatus committee painstakingly had evaluated five separate bids and made the Toyne recommendation.

Commissioner Tweedy asked about the different pump types and Wolfe explained all of the stated specifications.

Commissioner Jurkovich asked what was being replaced. Wolfe said a noncompliant 1986 tanker for which parts no longer can be found online will be replaced. That vehicle will be put up for online auction on Purple Wave.

Mayor Oestmann asked Wolfe to explain NFPA 1991 compliance. Wolfe said that relates to pump safety standards and also has to do with safety features to protect the firefighters who are riding on the apparatus.

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 Oestmann declared the resolution approved and given Resolution No. 2017-06-3106. Wolfe said the only drawback is it might take up to 330 days to deliver.

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WTP Amendment No. 3 **Resolution No. 2017-06-3107**

City Clerk Shook presented for discussion a resolution approving Amendment No. 3 to the contract agreement between the City and Burns & McDonnell Engineering Company, Inc., for modifications to the original scope of professional engineering services for the new Water Treatment Facility, for an amount not to exceed \$207,815.00.

Public Works Director Broce said the new plant is moving along well, other than a 45,000-pound greensand filter that tipped off the truck in Oklahoma during a wreck a month ago. He said it will be inspected and discounted.

Broce said the original contract with Burns & McDonnell had a construction time of 12 months, but that was expanded to 15 months in Amendment No. 2. The inspection services were not expanded beyond 12 months.

Since then, Smith & Oakes' inspector retired May 31, so not only does the period of inspection services need to be lengthened, but a new provider of those services must be hired. This amendment accomplishes both items.

Commissioner Warren asked if Broce could provide inspection services in house. Broce said he could, but it would be a full-time job that also would open up the City to potential liability and warranty issues down the line.

Commissioner Jurkovich 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. 2017-06-3107.

WTP Addendum No. 2 **Resolution No. 2017-06-3108**

City Clerk Shook presented for discussion a resolution approving Addendum No. 2 to the contract agreement between the City and Smith & Oakes, Inc., for engineering design and inspection services for the project to build a waste line from the Water Treatment Facility to the Wastewater Treatment Facility.

Public Works Director Broce said this addendum deletes the inspection services that will be taken over by Burns & McDonnell, for a total deduction of \$66,700.00 (effectively reducing the prior amendment's cost to \$141,115).

Commissioner Jurkovich 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. 2017-06-3108.

Valley Road Water Line **Resolution No. 2017-06-3109**

City Clerk Shook presented for discussion a resolution authorizing the City to negotiate a contract agreement with Nowak Construction, of Wichita, for the Valley Road water line improvements from Madison Avenue to Crestwood Drive, for an amount not to exceed \$216,473.00.

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Public Works Director Broce said Nowak is eager to continue working in Arkansas City after it wraps up the South Summit Street water line replacement project and has offered the same unit pricing for this project.

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. 2017-06-3109. Broce said work will begin as soon as the South Summit project is complete.

Cowley First Interlocal Agreement **Ordinance No. 2017-06-4431**

City Clerk Shook presented for discussion a first reading of an ordinance authorizing the City, in conjunction with other participating governmental entities, to enter into a new Interlocal Agreement for the provision of countywide economic development services through the Cowley County Economic Development Partnership.

City Attorney Niles said the recently approved extension of the existing agreement apparently was done improperly and the Kansas Attorney General's Office instead wanted a brand-new agreement to be approved.

Commissioner Tweedy 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. 2017-06-4431.

Buildings and Building Regulations

City Clerk Shook presented for discussion a first reading of an ordinance modifying Municipal Code Part II, Chapter 14, concerning buildings and building regulations, licensing of tree trimmers, landlords working on residential properties, and the composition of and appeals process for the Building Trades Advisory Board.

Public Information Officer Lawson began to give an overview of the many changes included in the ordinance, but Commissioner Warren interjected and suggested tabling the ordinance, as well as scheduling a study session.

Commissioner Welch made a motion to table the ordinance until a second reading June 20 and schedule a study session to discuss it at noon June 16 in the city manager's office. Commissioner Warren seconded the motion.

A voice vote was unanimous in favor of the motion. Mayor Oestmann declared the motion approved.

City Manager Updates

City Manager Hernandez said the packet contained a recent letter from the Ark City Tennis Association, which is discontinuing maintenance of the two remaining tennis courts at Wilson Park.

He invited people to welcome the Amtrak inspection train to town June 9. The Arkansas City Area Chamber of Commerce and the Ark City Convention and Visitors Bureau will serve cookies and water to those who attend.

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Hernandez said “Sing” will be shown twice this month — at 7 p.m. June 9 in Wilson Park and June 15 in Newkirk.

He also invited people to attend the 35th Infantry Division of the Kansas Army National Guard band concert June 15, and commended the chamber and CVB for raising funds so quickly to continue the July 4, 2017, fireworks.

Other Business

City Manager Hernandez said the Arkansas City Area Arts Council has asked for the use of two parking stalls in the parking lot east of the Burford Theatre to place a temporary storage unit until its renovations are done.

He suggested a parking lease agreement with Ark City Arts for a period of one year. Building Official Brown said there still would be a more than sufficient number of parking stalls in that lot, even with the proposed change.

Mayor Oestmann made a motion to authorize Hernandez to negotiate a parking lease agreement with Ark City Arts. Commissioner Welch seconded the motion. A voice vote was unanimous in favor of the motion.

Commissioner Warren abstained from voting. Mayor Oestmann declared the motion approved.

Commissioner Tweedy promoted the Strother Field Fly-In and Car Show, plus GE’s Family Fun Day, on June 17.

Adjournment

Commissioner Tweedy 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 8:12 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