

# City Commission of Arkansas City Meeting Minutes

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The Arkansas City Board of City Commissioners met in regular session at 5:30 p.m. Tuesday, August 4, 2015, in the Commission Room at City Hall. Those present at roll call were Commissioners Brandon Every, Dan Jurkovich, Duane Oestmann and Jay Warren, and Mayor Chad Giles.

Also present at roll call were City Manager Nick Hernandez, City Attorney Tamara Niles, Public Information Officer Andrew Lawson, City Clerk Lesley Shook, Public Works Director Eric Broce, Fire Chief Bobby Wolfe and Rose Mary Saunders, of Ranson Financial Consultants, LLC.

Arkansas City Police Department personnel in attendance were Police Chief Dan Ward, Detective Lt. Jim Holloway, Master Patrol Officer Nelson Douglas and Officer Corey Combs.

South Central Kansas Medical Center officials in attendance were chief executive officer Virgil Watson, chief financial officer Holly Harper and marketing director Clayton Pappan.

Citizens in attendance included Cindy Current, Michelle Dykes, Ken Harader, Delbert Hatcher, Mell Kuhn, Jenifer Ratcliff, Traveler photographer Donita Clausen, Traveler reporter Jeni Payne and Boy Scouts Troop 328.

Pastor Mark Fry offered the opening prayer. Mayor Giles led the pledge of allegiance.

## **Agenda Additions/Deletions and Approval**

City Manager Nick Hernandez asked for a discussion of South Central Kansas Medical Center's upcoming bond payment to be added as the first item under New Business.

Commissioner Warren moved to amend the agenda with the additional action item under New Business and approve it. Commissioner Oestmann seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Giles declared the agenda amended and approved.

## **Recognition of Visitors**

Officer Combs was introduced to the City Commission by Chief Ward and sworn in by City Clerk Shook.

Delbert Hatcher, 1132 Maple Park St., related his concerns about a leaking fire hydrant in his neighborhood and overall fire safety in Arkansas City. Public Works Director Broce urged citizens to call the Public Works Department to report issues such as the hydrant so they can be logged and tracked. He also said the hydrant still was putting out 400 gallons of water per minute. Broce said the hydrant would be addressed as part of an upcoming intersection reconstruction and water line relocation at C Street and Poplar Avenue. Fire Chief Wolfe explained how the Fire-EMS Department uses GIS to check fire hydrant flows and decide where to hook up lines.

## **Consent Agenda**

Commissioner Oestmann made a motion to approve the consent agenda, to include the following item:

1. Approval of July 21, 2015, regular meeting minutes and July 28, 2015, special meeting minutes as written.

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

# City Commission of Arkansas City Meeting Minutes

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## **Old Business**

### **CDBG Application and Authority** **Resolution No. 2015-08-2981**

City Clerk Shook presented for discussion a Resolution certifying legal authority to apply for the 2016 Kansas Small Cities Community Development Block Grant (CDBG) Program from the Kansas Department of Commerce, and authorizing Mayor Giles to sign and submit such an application.

Rose Mary Saunders explained the timeline of the CDBG application process and the need for a public hearing, notice of which was published July 24 in The Arkansas City Traveler. The CDBG grant sought is for \$500,000 toward the cost of a \$1.467 million wastewater line to be constructed from the new Water Treatment Plant to the Wastewater Treatment Plant. The project was presented July 28 at a meeting of the Kansas Interagency Advisory Committee in Topeka. The application is due by September 30 and awards will be announced next year.

Commissioner Every asked from where the rest of the money was coming. Saunders said it would be paid through the \$22 million State Revolving Fund loan the City already has secured from the Kansas Department of Health and Environment. She also gave Commissioner Every clarification on the payment to be made to her firm.

Commissioner Jurkovich asked how the ongoing LMI (low to moderate income) survey was coming. Saunders said responses had been received from about 40 percent of the target total, which is around 50 percent of the City's total population. Her husband, Steve Saunders, was set to conduct door-to-door surveys for the remainder of the week, with a goal of completing the survey by the end of August.

Commissioner Every asked about the time frame in which the funds must be used, if awarded. Saunders said the City would have one year from the date the money is awarded to award a construction contract for the project, with another year allowed to complete construction of the wastewater line. She said there would be some milestones that have to be met throughout the project timelines, but extensions are available in case of setbacks.

Mayor Giles opened a public hearing on the proposed application. Mell Kuhn, 520 E. Kansas Ave., asked if the City had looked into using the existing lime lagoons or clearwell instead of building a new line. Public Works Director Broce said the lagoon option would be about three times as expensive as the line, and he didn't think using the clearwell would be approved by the Kansas Department of Health and Environment. Commissioner Jurkovich asked Broce to have the water plant design company look into it. Mayor Giles closed the hearing.

Commissioner Every moved to certify legal authority to apply for the CDBG Program, and authorize Mayor Giles to sign and submit the application. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the resolution passed and given Resolution No. 2015-08-2981.

### **Operation and Maintenance Assurance** **Resolution No. 2015-08-2982**

Rose Mary Saunders presented for discussion a Resolution assuring the Kansas Department of Commerce (KDOC) that funds will be provided continually for the operation and maintenance of improvements to the Water System to be financed with Community Development Block Grant funds.

Commissioner Jurkovich moved to assure KDOC that funds will be provided for the operations and maintenance of the wastewater line. Commissioner Oestmann seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the resolution passed and given Resolution No. 2015-08-2982.

# City Commission of Arkansas City Meeting Minutes

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## **New Business**

### **Hospital Bond Payment Discussion**

City Clerk Shook presented the upcoming South Central Kansas Medical Center bond payment for discussion.

SCKMC chief financial officer Holly Harper said funds have to be certified August 10 by the City for the hospital's \$1,156,593 bond payment that is due in September. She estimated the hospital will be short about \$290,000 of that total in its available cash on hand and requested financial assistance from the City, which would be repaid.

City Manager Hernandez said \$300,000 had been set aside and could be transferred for SCKMC to use. He said a tentative agreement with the hospital would be presented at the next City Commission meeting. The agreement is to forgo using the bond reserve, which could trigger certain requirements for the hospital and possibly cause its bond rating to be lowered again, and pay the \$300,000 from the hospital demolition fund — which never was used to reimburse the capital improvement fund for that demolition, as originally planned. The hospital would be responsible for repaying the City an additional \$25,000 each month, starting in September, for the next year.

Hernandez and Harper said SCKMC had made much progress in the last 180 days — successfully attaining Sole Community Hospital status, enrolling in the 340B pharmacy program, seeking Rural Health Clinic status for South Central Kansas Clinic, starting a new telehospitalist program and bringing in a new physician later this month. All of these measures are expected to increase reimbursements, reduce costs or bring in new revenues. Also, the hospital's radiology equipment will be paid off in November, freeing up an additional \$580,000 a year.

Commissioner Jurkovich asked if SCKMC would have any cash reserves remaining after the September bond payment is made. Harper said very little would remain and the hospital would have to build the reserves back up before the final payment is due on the radiology equipment. Jurkovich asked why the City wouldn't want to use the bond reserve to transfer funds to the hospital. Hernandez said he would prefer a faster payback and he thinks it will be easier to use available money rather than triggering the conditions of the bond reserve account.

Commissioner Every asked if any City projects would have to be put on hold as a result of delaying reimbursement of the capital improvement fund. Hernandez said that if SCKMC repays the City within a year, per the agreement being drafted, sufficient funds remained to accomplish needed projects through the end of 2016.

Hernandez requested cursory approval from the City Commission to draft an agreement with SCKMC and bring it back to the next City Commission meeting, as well as approval to transfer the available funds to the hospital.

Mayor Giles moved approve the drafting of the agreement and the transfer of funds. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion.

### **Supplemental Contract Agreement with KDOT** **Resolution No. 2015-08-2983**

City Clerk Shook presented for discussion a Resolution authorizing the City to enter into a supplemental contract agreement with the Kansas Department of Transportation (KDOT) to increase the Economic Development Grant by \$300,000, to an amount not to exceed \$2,600,000, for construction of the Skyline Road and 61<sup>st</sup> Road project.

City Manager Hernandez said this formal agreement would clear the way for the additional funding that already was taken into account when the City Commission approved the project on July 7, contingent on KDOT approval.

# City Commission of Arkansas City Meeting Minutes

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Commissioner Jurkovich moved to approve the supplemental contract agreement with. Commissioner Every seconded the motion. Commissioner Oestmann asked about the City's share of the costs and what had been paid to date. A voice vote was unanimous in favor of the motion.

Mayor Giles declared the resolution adopted and given Resolution No. 2015-08-2983.

## **Reimbursement Agreement with KDOT** **Resolution No. 2015-08-2984**

City Clerk Shook presented for discussion a Resolution approving Agreement No. 640-14 with the Kansas Department of Transportation requesting reimbursement of \$296,509.83 from the Federal Fund Exchange program.

City Manager Hernandez said the City already had paid \$266,858.85 to close out the BNSF Railroad overpass project on East Kansas Avenue, completed in 2012. The money came out of the Special Street fund.

In order to reimburse the fund, the City requested Federal Exchange dollars in the amount of \$296,509.83, 10 percent of which will go to the State as an administrative fee for the Exchange program.

Hernandez said these funds and the remaining Federal Exchange dollars could be used to make improvements to North 15<sup>th</sup> Street, north of Radio Lane, possibly in combination with some remaining street sales tax funds.

He said the City also had received a letter from KDOT asking for repayment of about \$18,000 from a project dating to 2003 in connection with the U.S. 77 bypass construction. He has asked KDOT for clarification on that.

Commissioner Every moved to approve Agreement No. 640-14 with KDOT requesting reimbursement of \$296,509.83 from the Federal Fund Exchange program. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Giles declared the resolution adopted and given Resolution No. 2015-08-2984.

## **City Manager Updates**

City Manager Hernandez asked the commissioners for their opinions on whether the City should continue to allow anonymous code enforcement complaints. Mayor Giles said he wasn't opposed to it, but Commissioner Every said he thought the system was open to abuse. After some discussion, the Commission's consensus was to continue allowing the practice for now. Commissioner Jurkovich pointed out that all complaints are verified.

Hernandez also acknowledged EMS Director Jeri Smith for her recent appointment by Gov. Sam Brownback to the Kansas Board of Emergency Medical Services. He said she may be honored at a future commission meeting.

## **Other Business**

Police Chief Ward presented the commissioners with information about the process the Police Department currently is going through to translate 188 CALEA (Commission on Accreditation for Law Enforcement Agencies) standards into specific departmental policies. He explained that the process is being administered by Lt. Eric Burr, with the assistance of a regional manager. Lt. Burr has attended several conferences on the matter.

# City Commission of Arkansas City Meeting Minutes

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## **Adjournment**

Mayor Giles moved to adjourn. Commissioner Jurkovich seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the meeting adjourned at 7:08 p.m.

THE ARKANSAS CITY  
BOARD OF CITY COMMISSIONERS

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Chad Giles, Mayor

ATTEST:

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Lesley Shook, City Clerk