

November 4, 2019
5:15 P.M.
City Hall

The Commissioners of the City of Horton met for a regular meeting on Monday, November 4, 2019 at 5:15 p.m. at City Hall.

Mayor Stirton called the meeting to order and the opening prayer was led by John Calhoun. The Pledge of Allegiance was recited by all.

Present: Mayor Stirton, Commissioners Wade Edwards, Rex West, Bobby Bacon, and Ken Krug. City Administrator John Calhoun and Attorney Kevin Hill were also present.

Motion by Commissioner Edwards to adopt the agenda after adding John Broberg to the agenda, and switching around David Arteberry and Sam Johnson. Seconded by Commissioner Bacon. All aye.

Motion by Commissioner Bacon to approve the minutes from the October 21, 2019 regular meeting. Seconded by Commissioner Edwards. All aye.

Motion by Commissioner Bacon to approve the minutes from the October 31, 2019 special meeting. Seconded by Commissioner Edwards. All aye.

Motion by Commissioner Bacon to approve Appropriation Ordinance #3581 (Payroll) for the amount of \$30,620.66. Seconded by Commissioner Edwards. All aye.

Motion by Commissioner Bacon to approve Appropriation Ordinance #3582 (Disbursements) for the amount of \$84,879.66. Seconded by Commissioner Edwards. All aye.

Public Comments

None.

Consider Approval of Note Resolution for Phase III Sewer

David Arteberry shared the three local banks who submitting bids to purchase the City's General Obligation Temporary Notes, Series 2019-1 for Phase III of the sewer project. The lowest rate submitted was from Pony Express/First Option Bank with a rate of 2.35%. Other bids received were from GNBank for 2.48%, and Kansas State Bank (Union State) for 3.00%.

Proceeds from the sale of the Notes will provide construction period funding for construction of a new treatment plant for the City's sanitary sewer system. The total cost of the project is estimated to be \$6,013,000. The City has received a commitment from US Department of Agriculture – Rural Development to provide permanent funding for the project in the form of a loan (bonds) in the amount of \$3,303,000 and grants totaling \$2,710,000.

Motion by Commissioner Edwards to approve Resolution No. 2019-010, A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2019-1, OF THE CITY OF HORTON, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID NOTES AS THEY BECOME DUE; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH. Seconded by Commissioner Bacon. All aye.

Discuss Spillway Improvements

Sam Johnson was in attendance to present opportunities that are available thru FEMA for the Mission Lake Dam, and to gain Commissioner understanding on how to move forward. Sam discussed the background of the existing dam, the estimated project costs, and the major items of improvement. FEMA has funded Rehabilitation of High Hazard Potential Dams, providing technical, planning, design, and construction assistance in the form of grants for rehabilitation of eligible high hazard potential dams. The owner shall fund 35% of the project, and FEMA will fund 65% of the project if approved.

2/3 of this project can be funded by FEMA. The city would need to spend \$10,000 on the preliminary engineering report regardless. The city has the option to stop work after the PER.

Motion by Commissioner Edwards to authorize BG Consultants, Inc. to submit the FEMA HHPD grant application. Seconded by Commissioner West. All aye.

Revisit Parallel Energy Agreement

The Energy Management and Consulting Services Agreement was discussed due to EMG being sold to Priority Power. Scott Shreve will remain the city's consultant and the previous contract will be absorbed by the new entity (Priority Power).

Motion by Commissioner Edwards to approve the signing of the Energy Management and Consulting Services Agreement with Scott Shreve as the city's agent. Seconded by Commissioner West. All aye.

Scott discussed setting up a rate structure Ordinance establishing a renewable parallel generation policy and adopt interconnection standards for installation and parallel operation of customer owned renewable electric generation facilities. Kevin Hill recommended that the next step is to fit it within the city code and have a first reading of the Ordinance at the next Commission meeting.

Mission Village Updates

Bruce Bird said that Mission Village currently has 26 residents. The new roof is completed, but there is still some guttering and sheetrock work that needs completed on the inside.

Jefferson County Memorial Hospital has expressed interest in purchasing Mission Village. The Mission Village Board of Directors granted permission giving Jefferson County Memorial Hospital the right to enter into negotiations with the City of Horton. They are all looking into further negotiations with the city.

John Broberg, CEO of Hiawatha Hospital provided the following hospital updates:

The hospital has had more equipment failures this year than any other year- EVER! A positive tax vote would help this almost immediately! Just a few examples of equipment failures have been X-ray, CT, surgery lights and laparoscopic surgery equipment, lab testing equipment, vital signs machines and more.

Fundraising is active in Hiawatha. The Auxiliary and the Foundation have been very active in raising funds for the hospital. They have helped with an OB Bed, biliblanket, OB Security System, lab equipment and more. The Auxiliary has also been very helpful with purchases for wheelchairs, office chairs, cardiac rehab equipment, manikins for education and more. They will continue to raise money to help meet their needs. It is not enough to support the capital dollars needed to take care of the equipment and facility repairs. They will still need fundraising as the tax support will only provide about 50% of the cash needed for capital equipment and repairs!

FY 2019 - Financial Report. Through the end of nine months, the gross revenue was up by 15% over last year. The income before expenses was over year to date by {2%} primarily due to the conversion that occurred in 2018 with the EHR. Salary and Benefits expenses were under last year by 15% for the year. Overall expenses were favorable when compared to the previous year by 6% for the year. The total margin is (-.1%) which is at budget (-1.1%) and improved from 2018. With the improved day's cash on hand [the hospital has made a sixth payment to pay off the loan. Two banks have

agreed to renew the line of credit. One of the contributing factors enabling them to pay down their line of credit is the \$652,000 payments that they have received from Medicare for 2018 and 2019. They are anticipating paying back the 2019 payment. They are currently working with their auditors to evaluate the payable for 2019 that will be made in May 2020.

Provider Coverage of the Emergency Room - the volume and acuity of the ER visits continues to increase and is becoming challenging to cover the night shift and then cover the clinic the next day. During a recent meeting with the providers, they determined that having dedicated midlevel staff for Sunday through Thursday and every sixth weekend would be helpful for 2020.

Consider Approval of Ballfield Agreement with BG Consultants, Inc.

City Attorney Kevin Hill advised the city to be aware of the limit of liability language in section 5.9.1. and suggested to not limit to a year, and not limit to the cost of the contract.

Motion by Commissioner Edwards to approve the ballfield agreement with BG Consultants, Inc. contingent upon the revision of section 5.9 dealing with liability issues as recommended by the city attorney. Seconded by Commissioner Krug. All aye.

Discuss Possible Options to Keep Project Bids Local

City Attorney Kevin Hill stated that the city can have a local preference in our bids. He recommended that the city research to make sure that there isn't already a bid policy in place.

City Administrator/Chief of Police Calhoon

As of January 1st 2020, Waste Management is proposing that the rate per home in the City of Horton KS be adjusted according to city ordinance of 3%. The current rate per home is \$14.00, and the proposed rate would be \$14.42 per home. Calhoon and Bacon both voiced that the service with Waste Management has not improved. A few weeks ago, Carol Stirton sent a message to Mr. Blessing regarding the dumpster at the Blue Building, that the bottom fell out and trash was coming out of the bottom of the dumpster. As of last Friday, the same dumpster was still there. That is just one example of services not improving.

Motion by Commissioner Bacon to deny the increase requested by Waste Management. Seconded by Commissioner Krug. All aye.

Calhoon announced a potential savings on various city owned dumpsters. Grey Snow Sanitation could provide a savings to the city of around \$6,600 annually.

Motion by Commissioner Edwards to authorize the city administrator to select an alternate dumpster supplier conditional upon the fact that our contract does not require the city to purchase them from our present supplier. Seconded by Commissioner Bacon. All aye.

Calhoon stated that the city will likely pay around \$100,000 to demolish the collapsing buildings downtown. This will include asbestos removal, demolition, and dumping fees. Calhoon will reach out to the county again to see if we can get a break on dumping fees.

Calhoon tried to obtain three bids for the demos. Marlatt Construction Co didn't want to submit a proposal after looking the project over, and McPherson Wrecking Inc. couldn't get to it until well after the first of the year. Madget Demolition Inc. did submit a bid for \$81,000 for all three buildings. The Commission will review the proposal from Madget Demolition Inc. at the next Commission meeting, and consider approval. Meanwhile, Calhoon will proceed with B&R Insulation Inc. to remove and properly dispose of the asbestos at 109 East 8th for \$5,755.00. They have to give notice of 10 business days to KDHE.

Notice has been given to Edwards Maxwell (owner) that 109 East 8th will be demolished. He mentioned to Calhoon that he was trying to quitclaim deed the property to another individual.

In May 2019, the city paid Douglas Pump Service, Inc. \$10,044.54 to overhaul a pump at the sewer plant. The pump has since broken down again, and will cost another \$6,392.50 to repair. The pump had a 30-day warranty on it. The sewer plant is out of compliance with KDHE/EPA without the pump. Randy Mayfield will look to get bids from two additional companies to see if they are cheaper.

The shelter house by the new playground equipment by the pool is almost finished. The wraparound and the flooring still need to be completed. John Calhoon, Karl Gaskell, and Aaron Lanter brought a crew in and worked all day Saturday. Some worked Sunday as well.

Mayor Stirton

Mayor Stirton read aloud a note that was received in the mail that referenced the Horton Chamber.

Commissioner Bacon

Commissioner Bacon thanked the volunteers who have helped construct the shelter house by the new playground.

Bacon would like to see the brush at the northern part of the Little Lake cleaned out before he leaves office. He stated that it is hard to see another vehicle coming because the weeds and brush are so overgrown. Calhoon will take a look at it.

Bacon wants the existing playground equipment that was removed by the new playground to be examined for damages before being placed elsewhere for kids to play on.

Commissioner West

No report.

Commissioner Edwards

Commissioner Edwards reported that the paint is flaking on the south end of the south shelter house north of Hickory Point.

Edwards asked Kevin Hill if the city would receive a list of the Horton properties that are going to be on the upcoming tax sale. Kevin stated the addresses will be published in the Horton paper and on the county website.

Commissioner Krug

No report.

Motion by Commissioner Edwards to adjourn at 7:38 p.m. Seconded by Commissioner West. All aye.

Kim Knudson, City Clerk

Bryan Stirton, Mayor