

RECORD OF PROCEEDINGS
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March 16, 2020

The City Council of the City of Gardner, Kansas met in regular session on March 16, 2020, at 7:00 p.m. in the Council Chambers at Gardner City Hall, 120 East Main Street, Gardner, Kansas, with the Mayor Steve Shute presiding. Present were Councilmembers Todd Winters, Rich Melton, Mark Baldwin, Randy Gregorcyk and Tory Roberts. City staff present were City Administrator James Pruetting; Business & Economic Development Director Larry Powell; Parks and Recreation Director Jason Bruce; Police Chief James Belcher; Finance Director Matthew Wolff; Attorney Charles Dunlay; and City Clerk Sharon Rose. Others present included those listed on the attached sign-in sheet and others who did not sign in.

CALL TO ORDER

There being a quorum of Councilmembers present, the meeting was called to order by Mayor Shute at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Mayor Shute led those present in the Pledge of Allegiance.

PRESENTATIONS

PUBLIC HEARING

PUBLIC COMMENTS

Mayor Shute made a statement regarding the novel coronavirus, Covid-19. City and staff leadership will be discussing options and approaches to address issues during this pandemic period. In light of the pandemic and its impact on the most vulnerable portions of the city, low-income and fixed income households, they will discuss the all-electric utility rates. They will review different approaches to lessen the blow monetarily. This discussion will take place toward the end of the meeting.

Cary Prothe, 32385 W. 166th St. – He sent the board an email following work session. He requested they address suggestions he had offered. It sounds like they are planning to do that. He provided the City Clerk with copies of his emails to be entered into record (attached). He appreciates review of those options.

CONSENT AGENDA

- 1. Standing approval of the minutes as written for the regular meeting on March 2, 2020**
- 2. Standing approval of City expenditures prepared February 24, 2020 in the amount of \$126.50; and February 28, 2020 in the amount of \$826,275.80; and March 6, 2020 in the amount of \$332,905.56.**
- 3. Consider the reappointment of Scott Boden to the Planning Commission**
- 4. Consider authorizing the execution of a contract with Little Joe's Asphalt, Inc. for the 2020 Pavement Management Program (Asphalt)**
- 5. Consider authorizing the execution of a contract with Apac-Kansas, Inc. for the 2020 Pavement Management Program (Chip Seal)**
- 6. Consider authorizing a Change Order with Amino Brothers Co., Inc. to construct storm sewer improvements for the Waverly Plaza Special Benefit District**
- 7. Consider authorizing the execution of a contract for the Prairie Trace Sanitary Sewer Improvements Project**

Councilmember Gregorcyk asked to remove Item 4 from the Consent Agenda.

Councilmember Melton made a motion to approve items 1-3 and items 5-7 on the Consent Agenda.

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Councilmember Winters Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

Discussion of Consent Agenda Item 4

Discussion of item 4. Councilmember Gregorcyk asked if the current apron of curbing will be addressed, or will it be done by previous contractor? In some areas there is a 3-6 inch apron between where the asphalt ends and the concrete curbing begins. Mayor Shute said the new contractor will not take action to correct the previous contractor's mistake. Gregorcyk asked when the mistake will be addressed? City Administrator Pruetting said he will discuss with Public Works Director Kramer.

Councilmember Gregorcyk made a motion to approve Consent Agenda item 4.

Councilmember Winters Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

PLANNING & ZONING CONSENT AGENDA

1. Consider accepting the dedication of right-of-way and easements on final plat FP-20-01 for Frontier Commerce Park, 1st Plat

Councilmember Melton made a motion to approve the Planning & Zoning Consent Agenda.

Councilmember Winters Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

COMMITTEE RECOMMENDATIONS

OLD BUSINESS

NEW BUSINESS

1. Consider approving the City's contribution to health insurance premiums for the 2019-2020 plan year.

Human Resources Manager Alan Abramovitz said at the January 21 meeting, council approved partnering with CBIZ Benefits & Insurance Services, Inc. for employee benefits consulting services. Staff has worked closely with CBIZ to choose best health insurance option for city. On March 9, CBIZ presented bids. After reviewing options, staff determined that Humana offered the best plan, from a cost perspective and comparability with current plans offered by MPR. Compatibility is important to minimize disruptions in service to staff. The plans from Humana represent a blended rate decrease of approximately 7.6% as compared to current MPR rates. When the number of staff members currently participating in each plan is accounted for, this represents an annual estimated savings of \$127,009 across all plans. Abramovitz noted that MPR projections show a 5-7% cost increase for plans in the 2020-2021 plan year. If the city chooses to continue using Humana in the future, they offer cost control measures such as an employee engagement program which incentivizes wellness and provides discounts to overall premiums based on staff participation, and a Total Health Contract which provides a rate cap in years two and three of the plan based on claims. Staff recommends the City's continued contribution to employees' health insurance premiums of 100% to the high deductible health plan (HDHP) *CF 1500 Single* and an amount equal to 82% of the *HDHP CF 1500* for *Tier II and Family*, equating to \$536.32 for *Single*, \$1,020.30 for *Tier II*, and \$1,209.42 for *Family*, and continue to fund employees' Health Savings Accounts (H.S.A.'s) "up front" at \$1,500 for *Single* and \$3,000 for *Tier*

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II and *Family*, and continue the City's contributions to the *OAP* (PPO) plan and *INO 1* and *INO 2* (similar to HMO) plans to an amount equivalent to 80% of the premiums:

- For *OAP* the City would contribute \$502.68 for *Single*; \$1,166.18 for *Tier II*; and \$1,382.32 for *Family*;
- For *INO 1* the City would contribute \$544.28 for *Single*; \$1,262.72 for *Tier II*; and \$1,496.76 for *Family*; and
- For *INO 2* the City would contribute \$535.92 for *Single*; \$1,243.32 for *Tier II* and \$1,473.76 for *Family*

continue the contribution to employees' vision insurance premiums at 100% / 80% equating to \$6.50 for *Single*, \$9.78 for *Tier II*, and \$13.92 for *Family* coverage; and continue the contribution of 50% of dental insurance premiums at \$18.58 for *Single* and \$46.26 for *Family*.

Abramovitz said the approved 2020 budget included a budget of \$1,741,300 for health, dental, and vision insurance across all funds. Utilizing Humana as the new health insurance provider, and working directly with Delta Dental of Kansas and MetLife (VSP+Retail) would have an estimated total cost of \$1,684,400 for the City. The new health insurance plan will start on July 1, 2020 and end June 30, 2021, crossing multiple budget years. The estimated budget savings in 2020 is \$59,300. The City anticipates an additional \$90,800 in savings in the first half of 2021 (when compared to MPR's estimated renewal rate). The annualized savings when compared to the 2020 budget and anticipated MPR renewal rate is \$150,100.

Councilmember Gregorcyk congratulated staff on the savings and providing quality health care to employees. What is the percentage of staff enrolled? Abramovitz said 120 employees out of 150.

Councilmember Melton is excited about the savings. Abramovitz said he had a great committee and CBIZ did an excellent job.

Councilmember Winters asked if this is this annual? Abramovitz confirmed.

Councilmember Melton made a motion to approve the City's contributions to health, vision, and dental insurance premiums for the 2020-2021 plan year (all dollar amounts as noted in "staff recommendation"):

- 100% for CF1500 Single (HDHP) and 82% of CF 1500 (HDHP) Tier II and Family
- 80% contribution to all other health insurance plans;

and fund employees' H.S.A.s "up front" at \$1,500 for *Single* and \$3,000 for *Tier II* and *Family*;

and contribute to employees' vision insurance premiums at 100% for *Single* and 80% for *Tier II* and *Family*;

and contribute 50% of dental insurance premiums

Councilmember Gregorcyk Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

2. Consider a resolution authorizing the City of Gardner, Kansas, to withdraw participation from Midwest Public Risk of Kansas health dental and vision programs

Human Resources Manager Alan Abramovitz said this item is tied to the previous item; council authorized the adoption of health insurance plans from Humana. The City is currently part of Midwest Public Risk (MPR), but in order to withdraw participation, the city must adopt a resolution. The City will remain in their Risk program; and will only withdraw from health/dental/vision. The city will need to give required notice to leave MPR. Per MPR bylaws: "Any Member may withdraw from, and cease participation in, any MPR Kansas Program or Service at the end of any contract year by giving at least ninety (90) days' notice, in writing, of its intention to withdraw..." The city's contract year with MPR will end on June 30, 2020, so a decision to withdraw participation must be made tonight in order to fulfill the obligation of providing 90 days' written notice.

Councilmember Melton made a motion to adopt a resolution authorizing the City of Gardner, Kansas, to withdraw participation from Midwest Public Risk of Kansas health, dental and vision programs

Councilmember Baldwin Seconded

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned Resolution number 2049.

Gregorcyk:	Yes
Melton:	Yes
Roberts:	Yes
Winters:	Yes
Baldwin	Yes

3. Consider authorizing the execution of a three-year contract with National Insurance Marketing Brokers, LLC for employee benefit consulting and administration services

Human Resources Manager Alan Abramovitz said this item is tied to the new insurance plan approved earlier. They need to have a company that enrolls employees into the program. This is the same company the school district uses, and they provided a good reference. The city needs to obtain the services of a broker to provide ancillary insurance options to staff. CBIZ offered two options for these services. After a demonstration and comparison of each, staff selected Benefits Direct, named in the contract as National Insurance Marketing Brokers, LLC. The ancillary coverage options to be offered include cancer, accident, short-term disability, critical illness, permanent life, voluntary life, identity theft, hospital indemnity, and pre-paid legal. These are voluntary benefits the employees can enroll in if they choose. Benefits Direct offers benefits administration services for all of these ancillary products as well as for medical, dental, vision, voluntary group term life, group short-term disability, flexible spending, and health savings accounts. This includes a technology platform to better manage and understand individual benefits. The City currently utilizes American Fidelity for these benefits. Staff who wish to keep their benefits with American Fidelity will be able to do so; however, they will now be directly billed by American Fidelity rather than having these benefits paid for via payroll deduction. For year one (1) of this three (3) year contract, the fees are waived. In years two (2) and three (3) of the contract, a fee of \$2.50 per employee, per month will be assessed. This equates to \$30 per employee, per year. As the number of employees is subject to minor fluctuations, there will be minor fluctuations in the total cost of this contract. Assuming an average of 150 employees, the cost to the City would be \$4,500 per year for years two (2) and three (3) (as stated previously, fees are waived for year one (1) of the contract). This equates to an estimated total cost of \$9,000 over the three (3) year span of the contract. The City does not pay employee premiums for these ancillary coverage options.

Mayor Shute said the range of services appears more robust than previous offerings. Abramovitz confirmed there are more offerings than American Fidelity. They are voluntary with no pressure to employees to purchase. Mayor Shute said it will be considered as payroll deduction and there's benefit to that. Councilmember Gregorcyk said regarding the benefit from payroll deduction perspective, those paying out of pocket, are they taxed or treated different than if it was a payroll deduction? Abramovitz said some of the insurances are pre-tax and some are not.

Councilmember Melton made a motion to authorize the City Administrator to execute a three-year contract with National Insurance Marketing Brokers, LLC for employee benefit consulting and administration services at no cost for year one (1), and a rate of \$2.50 per employee, per month for years two (2) and three (3).

Councilmember Winters Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

4. Consider adopting a resolution providing for the adoption of the addition of Article 6-107.3a of the Personnel Policies and Procedures, 2018 Edition, for the City of Gardner, Kansas

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Human Resources Manager Alan Abramovitz said this is a result of COVID-19. According to Article 6-107.3 of the City's Personnel Policies, 2018 edition, employees may utilize their accrued sick leave for various detailed reasons. It also states that employees have the option of using accrued vacation leave when sick leave has been exhausted. They may also request a leave of absence without pay if all paid leave has been exhausted. In an effort to support employees through various impacts of COVID-19, staff brought forward this addendum to Article 6-107.3. The addendum shall be in effect commencing with the passage and adoption of council and shall expire only when the state of emergency declared on March 13, 2020 by the Johnson County Board of Commissioners has been lifted. In light of recent mandates regarding school closures and quarantines enacted in order to mitigate the spread of COVID-19, the City wants to ensure that staff has flexibility to use sick leave for additional purposes listed below:

- To care for a dependent child aged 18 or below if the child's school is not in session due to COVID-19. This shall not include time during which school was previously scheduled to be out of session, such as Spring Break.
- If an employee or a family member living in the same household is quarantined due to COVID-19

If an employee is unable to work due to the reasons outlined in Article 6-107.3a and their accrued sick leave balance will not cover their absence, they will be required to use their accrued vacation hours and Personal Day during their absence. Employees will be advanced up to 40 hours per week of sick leave, for a total not to exceed 80 hours once all other leave balances (sick, vacation, and Personal Day) have been exhausted. Such advances are to be approved by the Human Resources Manager on a weekly basis. The idea is to let them borrow from their future sick leave if needed.

Councilmember Melton said this is a good idea. Mayor Shute said they have to take care of city staff. Councilmember Gregorcyk said this is good and clarified it was for all staff.

Attorney Dunlay clarified key points.

Councilmember Gregorcyk made a motion to adopt a resolution providing for the adoption of the addition of Article 6-107.3a of the Personnel Policies and Procedures, 2018 Edition, for the City of Gardner, Kansas.

Councilmember Winters Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned Resolution number 2050.

Baldwin	Yes
Gregorcyk:	Yes
Melton:	Yes
Roberts:	Yes
Winters:	Yes

5. Consider option for all electric utility customers

City Administrator Jim Pruetting noted that staff pulled the ordinance at the last minute. He continued that at the last meeting, Councilmember Winters discussed a few options that staff didn't have information for, like phasing in the rate increase. Staff gathered information for this. Mayor Shute brought forward the idea of repealing the ordinance and starting over to give staff time to give relief to customers most affected, and review the rate study again. Just before the meeting, staff discovered that if the rates were repealed, the city doesn't have authority to raise the rates on the customers that got a rate cut. They could repeal the ordinance if, going back three months, they didn't raise the rates and institute a new rate after the ordinance passed, and address the rates for all-electric and commercial. They believe they will lose \$75,000 by not going back and raising the rates on that class. They could go forward to give people time to prepare, better education and notification, and institute the rate change

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next January. There are options. Staff has information on what it would be to phase in or offer a payment holiday that would give residents a break between the winter rates and summer rates. Business Services Manager Amy Foster has information to pass to council. If they reach consensus, staff can bring the action on a special meeting or at the next council meeting.

Mayor Shute offered background on this. Everything has changed in the past 7 days. There is significant economic impact because of COVID-19. The impact of the all-electric rate is being felt by the most vulnerable people in lower and fixed incomes that can least afford an economic disruption.

City Administrator Pruetting spoke about the misconception that the absence of notification was called an error. He wanted the residents to understand that when staff got the information from the rate study, it was based on rate classes. They didn't get individual impacts in the study. Looking at the rate class for all-electric, the subsidy they received as a class was \$275,000. Divide that by 1302 homes for the year, and it is less than \$200. There was no notice of the range that was involved. Some high users got a several hundred dollar increase. No one knew that was going to occur. That information wasn't provided and they didn't recognize the potential for \$200-\$300 monthly bill increases. No one knew, and that's why there were no notifications. Councilmember Melton asked, if they do another rate study, can they factor that in? Pruetting confirmed.

Ms. Foster provided numbers for the impact of some of the options. A complete roll back of rate, over a 5 year period for all-electric customers, is about \$660, 000. That will then go to other ratepayers that is absorbed. If they do a four-year implementation for that rate class: 2020 is a loss of \$663,000, 2021 is a loss of \$505,000, 2022 is a loss of \$341,000, and 2023 is \$173,000. A quarter a piece would be absorbed into other rate classes. A two-year implementation is \$663,000 for this year and \$330,000 next year that would be absorbed. Ms. Foster reached out to the billing software company about repealing the rates back to January, and they noted they have mostly shut down and are working remotely, so response times are slower to get costs from them on rolling back the rate. It involves a cancel/rebill. They would rebill all of those customers at a different rate. The understanding was that repealing would undo everything, and cancel/rebill every single customer based on rates that were in place in December. Since then, staff was notified that they can't do that because it would have impact on some bills where they owe more money. If they roll back the all-electric piece, they will manually touch each customer to cancel/rebill. Last week, they asked that penalties be removed for January and February. If they repeal, that would be affected. Varying anything changes their bills, now that percentage on top of that changes. To go back and recalculate is almost impossible, and they would ask that it be repealed as well and give that money back to anyone who paid a penalty.

Mayor Shute said they'd discussed a bill holiday for all electric customers. It takes away a month's worth of bills for all-electric customers. Ms. Foster said they can remove charges for March, so those January and February bills that have extended would have a chance to catch up with payment plans. If they still need long-term payment plans that council agreed to, a complete rollback for that class of customer, they would lose the same revenues, but all in one month. Depending on usage, if they chose March, the rate would be zero dollars. They would still get a bill that shows their consumption, but would be zero dollars. This would get them to the summer rate period.

Councilmember Melton asked if staff can provide different options in the Friday minute memo. Ms. Foster agreed. Councilmember Gregorcyk clarified they are not taking action tonight? Mayor Shute said they were planning to, but it was not ready for this meeting. Shute is intrigued by the holiday option as it does not require any changes to the ordinance, will give customers that are heavily impacted by the rate increase some relief, and it's easiest on administrative adjustments. Councilmember Roberts asked if it would be a one-time holiday, or every March? Shute said one-time holiday.

Ms. Foster noted that if they repeal the rates, there was a 2% decrease that happened, and discounted rate in the summer, if they pull all the way back and don't pass a new ordinance, they would un-do those items and impact every customer. They had gone to small, medium, large commercial customers, and that would be un-done as well. Mayor Shute said with the holiday option, they would not change rates. Come winter, rates stay current, but it would give time to make adjustments. Councilmember Winters asked if this would be for residential or

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commercial. Ms. Foster said it would be for all of the all-electric customers. Councilmember Gregorcyk confirmed all of the all-electric? Mayor Shute said yes, residential and commercial. Councilmember Gregorcyk appreciated Pruetting's clarification that a notice wasn't overlooked, because no one knew it. Mayor Shute said the city did not make a mistake, the UAC did not make a mistake. The mistake was on the rate study providers who did not give proper information to make a decision. That will be corrected on further studies. Councilmember Baldwin said there is a report they can see what the rates were and that they change. It shows 2019 and 2020 and see the changes. It's not fair to say Burns & Mac made a mistake. Mayor Shute said the subsidized rate wasn't mentioned. Baldwin said they have to know what they are changing when they get the information. Mayor Shute asked if Baldwin knew that the subsidized rate was going away and it would increase bills by up to 70%? Baldwin couldn't say how much it would go up for each individual person. Shute said that's what he was referring to. Burns and Mac study didn't mention the 70% increase. Baldwin said that's not what they were paid to do. The city asked for a rate study per classifications to be revenue-neutral, did not ask what each person's bill would be on January 1 based on previous usage. Mayor Shute said they should have because having rates increase by 70% is inexcusable. Ms. Foster said that class showed for all-electric residential to be a little over 1% over the course of a year. Staff saw those number and rate changes, but the overall impact to the class of customer and annual revenue source was just over 1%, so it seemed insignificant to allowed them to combine it into the residential class over the entire year. Baldwin looked at ½ a million transactions and a majority of the changes were \$200 or less. There were some higher, but they don't know what the individual usage was. There are always going to be a few customers who use a lot more than the rest and they will take a hit early. They can't pay for a rate study that hasn't been implemented yet and throw it out. Mayor Shute said they are not, they are not changing the ordinance. Baldwin said they are kicking the can if they do any of the options already mentioned. They will lose money based off the rate study if they don't implement it and do a holiday. If they are doing this because of an economic downturn, it's going to get worse. They are already providing the assistance from Utility Billing to spread it out, and they are almost through the winter rate. If they rebill, it's going to cost more money, and then start the process all over again. Mayor Shute said yes, but it would give 7 months' time to get usage down, find alternatives to all-electric. Baldwin said they will affect the entire population for a very small percentage and it's almost over. They will impact every customer if they don't implement the study. Mayor Shute said they are not rolling back the rates. Baldwin said there will likely be a change on this same classification on the next rate study and delaying that will make it worse. Shute said they aren't delaying. Baldwin said they are if they give a holiday and have to recoup funds. How will they get that money back without a future impact to the rates? Shute asked what the impact would be if they did a holiday. Ms. Foster said it would be approximately \$320,000-\$350,000 for all all-electric customers. It would be \$230,000 for just residential, based on last year's usage. Mayor Shute asked if that would break the electric fund. Baldwin said the goal is always to keep it revenue neutral, and if they create expenses they have to adjust revenue. Mayor Shute said he wanted to do that with the ordinance repeal to stay revenue neutral, but they can't do it. The option is to go revenue negative and give residents a chance to prepare or don't do anything and they will struggle. Baldwin said they are almost through the point of struggling and provided options to spread out the payments. They provided options to mitigate this. They acknowledge it wasn't good, but need to continue it. It's an impact to certain people, but they provided a solution. Shute asked about commercial customers? Baldwin said they got notice. Shute noted that some of them saw an increase of 20%. Baldwin asked if he wanted all the other customers to subsidize them. Baldwin said this will affect rates for years. In two years, they will see this come back as a problem if they cause an effect that raises expenses. Shute noted that the country is in an economic crisis currently. Beginning tomorrow, all bars and restaurants that don't have carry-out or delivery will be closed. Many bartenders and servers will be out of a job. How many of them are on all-electric? Baldwin said whatever that number is, they are almost off the winter rate now and making adjustments now, but the city gives them the same amount in 6 months and they haven't had a job for months, and then raise the rates again.

Councilmember Gregorcyk offered a recommendation to leverage the pilot to offset the difference. Mayor Shute said it's a wash. The pilot comes from the same fund. Gregorcyk asked how much is in the electric savings account. Finance Director Wolff said the electric fund and electric reserve total \$15 million. Gregorcyk suggested

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tapping into the savings account to offset the electric, keep everything whole, keep the rate classifications, offset the pilot so the pilot is being distributed at 3% instead of 5%, and use that to support the offset, versus a one-month \$350,000. Gregorcyk said do this one time, keep the classifications and spread out over an 8-month period. Director Wolff clarified that the pilot is payment of taxes from the electric fund to the general fund, so shorting that shorts the general fund. Gregorcyk asked where the money is coming from. Shute said the electric fund. Wolff said the money is coming from the electric fund, but still shorting the general fund revenue. Gregorcyk said they are shorting the fund period. Baldwin said there's money being lost somewhere. Shute said because it's revenue negative. Baldwin said if the electric fund eats then it stays in that place and the pilot won't change and the general fund isn't effective. Gregorcyk said they need to help the customers no matter where the fault lies. Shute said the only thing changed since last week is the economic landscape. Baldwin said they are almost through the hard billing months, and have options to mitigate it, if they go back and spend money, it causes an effect regardless of where it comes from and how it's dealt with in years going forward. There's no telling what the future holds, so the assistance they provided on how to mitigate this is what they need to do, otherwise it will reopen the issue several months later. Shute asked why it would be worse if they aren't changing rates. Baldwin said summer will come and go, but winter comes and the bills are going to be high like they are now. Shute said they will work with customers to lower usage, lower demand, work with subdivisions to run gas lines, assess citizens with a benefit district. It gives them time.

Councilmember Melton asked that Ms. Foster give options in a memo so they can look at them all and move on from this tonight. Councilmember Winters asked if there were other options to find middle ground. His concern is for the people that did install all-electric because of the discount, which benefited the city, and then they took it away and most apartments don't have gas. Those people were affected Are there options like once they reach a higher level, there's a discount, and then once they reach another higher level beyond that the discount stops? How big were the apartment users' increase? Ms. Foster said most apartments ranged between 5-14% based on this year's consumption. Winters said over those three months, giving them a payment plan spreading out a couple hundred dollars over 12 months, that's more doable. Winters is concerned with those single family residential, many who built or purchased knowing that. They need to address it for the short term. He would like options for that. Mayor Shute said they can't favor one group. Ms. Foster said that would require an ordinance to change a rate. They did away with step rates. Staff would bring back an ordinances that recreates another all-electric class that they did away with and add a step break. She can offer them again the items agreed to last week. She has 5 energy assessment companies lined out. Anything involved in how they will with the rate charges, it would require an ordinance. Shute said they need to drive down the demand curve. That's the cause of this issue, high usage. The all-electric commercial customers that were under no demand charge are now feeling a demand charge. Ms. Foster said the all-electric commercial customers do have a demand meter. Staff worked with two largest ones this week and sent meter staff out for multiple reads to figure out when their peak demand is and working with them. Smart meters are coming for residential. Those meters will read every 15 minutes, and some customers were impressed with what they would be able to do when they see their usage. They will have control over their consumption, and identify problems. This doesn't help with what they've already received. Mayor Shute said it's good to have education on usage and trying to dis-incentivize high usage.

Cary Prothe, 32385 W. 166th St. – He understood there was a subsidy for all electric homes in winter. Under the old rate, they paid more in summer. Adjustments may need to be made. One suggestion was raising the base level to 1200 and cap the upper level of the lower rate at 3000. Another suggestion, the winter rate is 7 months, That's a big window. October is included, which is September usage and furnaces aren't on. The reason it was put in place 20 years ago was for that wintertime usage, but maybe it can be 5 months. The bill holiday is an option, but at the end of the year, it won't make an impact. Next year they will be where they are now. If all electric rate goes away completely, they were offered that when they built, they have gotten bids on putting in a gas furnace and it's not cheap. If the all-electric rate goes away or stays the way it is now, he suggests a 3-5 year phase in, instead of all at once.

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Maria Jeng, 721 E. 167 Terr. – She lives in a subdivision that is not all-electric. She contacted the gas company. Her house is lined for gas, but it's never been used. They would have to hire specific gas plumbers to make sure the lines are still able to be used and it would have to be inspected by the city to make sure it was up to code. It would cost additional money to replace the furnace, heat strips and heat pump with the HVAC and converting. She has already made upgrades to the big-ticket items for efficiency. She contacted Evergy and they do offer an all-electric step. They have summer and winter rates. Their consumption rate before the discount is 1000, and the city was 800. Maybe compensate so homeowners can meet that level. Also, she was the random resident number 1. The presentation showed that hers was a 41% increase for the months of January and February. The numbers presented and calculated from 2019 was supposed to be a 14% increase. That's a significant difference. She asked for a compromise.

Councilmember Winters noted that looking at Nottingham apartments, if they gave a bill holiday, those residents would get more than what they paid additionally. Their March bill last year was \$118, if they gave them March off this year, the difference so far has been about \$60, so they would be getting double back.

Councilmember Baldwin said all of these things that have been brought up should be incorporated in the next rate study. Changing everything now will have a detrimental impact, and it will be an issue again. It's an issue now and they have solutions to mitigate. They can't fix it 100%. Mayor Shute said it's a mitigation, not a solution.

Councilmember Roberts said she wasn't on council when this was passed. She knows there is a shortfall if they do something to help, but she would like to see the options. The repeal is not good, she isn't sure if the holiday is the answer, but they have to do something to make this situation better. She knows there will be shortfall, but needs to see the options.

Councilmember Gregorcyk asked if they looked at a per kilowatt price of .05, as example, and gave a credit for the next several months. Ms. Foster said they will run into the same thing as the rate study did. It's seasonal, depending what the summer looks like that could be a big amount or it could be smaller depending on consumption. It's giving them a different rate, and pulling them back into their own rate class. Councilmember Gregorcyk doesn't want to lose momentum on rate study or rate classes. He thought the nickel per kW of reduction would keep them whole and limit. Mayor Shute asked if he was discussing changing power cost adjustment? Councilmember Baldwin said that would affect everyone. Mayor Shute confirmed they can't do that. It would be a special for a certain class of customers, a new rate class.

Councilmember Gregorcyk wants to solve the problem. The city affected those citizens and they have to make it right. There is going to be a revenue loss, and they need to determine what the palatable loss is on the revenue side while taking care of the customers, because they don't have options if they are all-electric. Mayor Shute said they have to be fiscally responsible. That doesn't mean affecting one group to help another. The electric fund has a robust balance, but they can't use that as a slush fund. Must be done in a measured way, with the right numbers. Councilmember Gregorcyk asked if Friday is too soon for staff to put the numbers together. Ms. Foster said it's a lot to put together. Gregorcyk said he's looking for the best solution for the customer and the city with nominal revenue loss. Is Friday too soon? Director Wolff said they would set it as a tentative date, and if not, they'll send a memo next week.

Councilmember Baldwin asked if there is a revenue number that they are comfortable losing. Mayor Shute said they can't make an intelligent decision until they know impact. Councilmember Baldwin asked what they are trying to achieve. Councilmember Melton said it will depend on when he looks at the data. Councilmember Roberts thought the bill holiday was good at first, until Councilmember Winters noted that some would get back more than their overage – at first thought the holiday was good, until Councilmember Winters brought up that some would get back more than their overage. It should be more equitable, a partial holiday maybe. Mayor Shute said there are different types of all-electric households and businesses. Some are lower usage and have minimal impact. Medium users have a greater impact. High usages had the greatest impact. Ms. Foster said they are the ones who would see the biggest savings on a holiday. She brought up holiday because the word rebate came up to give everyone a certain amount to help them through the impact, but when they have a high user and low user,

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that absorption isn't enough. It's not fair when done by kilowatt-hour. How can they address it based on a flat rate for all and give something back to absorb. Based on consumption levels it would be giving them back kilowatt-hours and cost. Regarding electric reserve fund: there was 3% inflation rates of expenses, so the fund in the rate study through the years operates in a negative. They are spending more than bringing in. Touching that fund impacts the rate study, it was worked into rate study. Mayor Shute clarified the 3% increase in expenditures year over year and a 1% increase in revenue year over year. Shute said the growth they are seeing may allow a great than 1% increase. Councilmember Baldwin said the \$15 million fund, \$3 million is not usable. Out of the remaining \$12 million, \$4 million goes to smart meters. Now it's down to \$8 million. The rate study two years ago took that into consideration with future projects. Mayor Shute said that's why he looked at a one-time adjustment and not a rate change.

Mayor Shute asked about March bills, are they being tabulated? Ms. Foster confirmed. If they give back March, they would have to cancel those bills. The last billing for March will process and mail on March 27. Shute asked if they need a special meeting before the next council meeting? Ms. Foster said April bills would start processing before April 6. Pruetting asked Ms. Foster if that provides enough time to implement any change before the April bills? She said it depends on what is decided. Councilmember Baldwin said if there's a change of any sort, they should either have a special meeting or a work session. Shute asked for consensus for a special meeting or work session on March 30. There was consensus among the council.

COUNCIL UPDATES

Attorney Dunlay shared that everything is going to be closed until April 6 in Johnson County. School districts have been closed. People can't gather in groups of more than 50. Mayor Shute said guidance is coming in for gatherings at 10 or less. Dunlay said they would prefer 10, but right now, it's 50. More than 50 and it would be outside of compliance. If they have a special meeting and more than 50 attend, they have to stop the meeting. They can't keep anyone out. Dunlay said they cannot meet without allowing open meetings. Many municipalities are canceling meetings. Councilmember Melton said two councilmembers could call in and allow for two more in the meeting. Baldwin said they could ask if someone wanted to watch outside. Pruetting said the 50-person mandate didn't apply to governmental or judicial gatherings. Dunlay said they are not bound, but strongly suggested. Johnson County District Court has shut down jury trials until May. Federal Court is closing non-emergency actions. Mayor Shute said the city has closed municipal court. Ms. Foster is managing that as well. Shute appreciates Ms. Foster's work

Director Wolff offered his thanks to Ms. Foster. She's been working a lot of hours and is extremely professional, maintaining high customer services. She and her staff have been fantastic the last few months working with customers through these issues. Mayor Shute said they owe her a debt of gratitude.

Mayor Shute asked Chief Belcher about his emergency operations contingencies. Belcher said they have made internal change to help combat some contact. Operations are running well right now. Shute asked if there are contingencies in place in case there's civil unrest. Belcher confirmed.

Director Bruce said he's been in contact with other area agencies regarding their plans moving forward. Gardner has not canceled any events yet, but they have closed the Senior Building access through the end of the month. It is only available for Meals on Wheels volunteers. They canceled soccer and baseball practices through this week, and will reassess daily. Staff are watching for recommendations from the county. Mayor Shute said not gathering in groups of 50 or more means they will have to reevaluate the soccer season.

Director Powell said staff sent out notice yesterday and reminder notice today about a planned meeting with builders to discuss the 2018 change in IBC and IRC that the city plans to adopt. Staff plans to bring that code change forward in May. Councilmember Melton asked if staff can send it to Kansas City Home Builders Association and have them send it to their folks. Even if they aren't building in Gardner, they'll see that Gardner is asking questions and trying to get feedback and it may drive interest for them to come to Gardner. Powell agreed.

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City Administrator Pruetting appreciated the consideration on the sick leave policy. He tried to give updates over the weekend as he received them, but things happened fast last night and today that he wasn't able to give updates. Things were changing by the minute. MARC has coordinated a task force for area cities. He worked with staff today on continuity of operations or critical functions and how each department would keep up with essential items. Council may notice changes in scheduling, some staff may work from home in some manner. He doesn't know how many yet. They may work in split shifts to decrease the number of people in City Hall. He is being proactive, and the changes come in quickly, he may not get notification to council before changes are made, but he will get notice out. IT Manager Greg Etcheson set up a VPN so staff can set up a remote desktop. It had limited functionality before, now everyone has access to it. He will keep everyone notified. Mayor Shute said things are constantly evolving and that will be the case for a while. Pruetting said some jurisdictions have already made the commitment that if it is mandated to shut down City Hall, their employees will still be paid. He did not bring it up along with the sick leave policy is because it may come with funding from the federal level. It was premature to discuss it, but it could come up in the near future.

Councilmember Melton said a lot of people may not have internet access. Groundhouse has free Wi-Fi, but he wanted to share that Crown Realty also has free Wi-Fi. People can pull up to parking spots and use it from the car if needed. It could be an issue for some since the library is shut down.

Mayor Shute advised everyone to stay safe. It's frustratingly uncertain right now. There's fear and panic, but we should care about one another. Now is not the time to isolate from everything, unite to do the right thing by the people around you.

EXECUTIVE SESSION

ADJOURNMENT

There being no further business to come before the Council, on a motion duly made by Councilmember Gregorcyk and seconded by Councilmember Melton the meeting adjourned at 8:49 p.m.

City Clerk

City of Gardner, KS

Council Actions

March 16, 2020

The City Council took the following actions at the March 16, 2020, meeting:

1. Approved the minutes as written for the regular meeting held March 2, 2020. (Passed unanimously)
2. Approved City expenditures prepared February 24, 2020 in the amount of \$126.50; and February 28, 2020 in the amount of \$826,275.80; and March 6, 2020 in the amount of \$332,905.56. (Passed unanimously)
3. Reappointed Scott Boden to the Planning Commission. (Passed unanimously)
4. Authorized the execution of a contract with Little Joe's Asphalt, Inc. for the 2020 Pavement Management Program (Asphalt). (Passed unanimously)
5. Authorized the execution of a contract with Apac-Kansas, Inc. for the 2020 Pavement Management Program (Chip Seal). (Passed unanimously)
6. Authorized a Change Order with Amino Brothers Co., Inc. to construct storm sewer improvements for the Waverly Plaza Special Benefit District. (Passed unanimously)
7. Authorized the execution of a contract for the Prairie Trace Sanitary Sewer Improvements Project.
8. Accepted the dedication of right-of-way and easements on final plat FP-20-01 for Frontier Commerce Park, 1st Plat. (Passed unanimously)
9. Approved the City's contribution to health insurance premiums for the 2019-2020 plan year. (Passed unanimously)
10. Adopted Resolution No. 2049, a resolution authorizing the City of Gardner, Kansas, to withdraw participation from Midwest Public Risk of Kansas health dental and vision programs. (Passed unanimously)
11. Authorized the execution of a three-year contract with National Insurance Marketing Brokers, LLC for employee benefit consulting and administration services. (Passed unanimously)
12. Adopted Resolution No. 2050, a resolution providing for the adoption of the addition of Article 6-107.3a of the Personnel Policies and Procedures, 2018 Edition, for the City of Gardner, Kansas. (Passed unanimously)