

CITY OF TONGANOXIE

June 1, 2020
7:00 Regular Meeting



REMOTE MEETING – See City of Tonganoxie website at www.tonganoxie.org for more information. There may be an audio recording of the meeting which will be utilized to prepare the meeting minutes.

Honorable David Frese, Mayor

Council Members

Rocky Himpel

Jacob Dale

Lisa Patterson

Loralee Stevens

Chris Donnelly

Open Regular Meeting – 7:00 p.m.

I. Pledge of Allegiance

II. Approval of Minutes – Regular meeting dated May 18, 2020

III. Consent Agenda

- a) Review bill payments

IV. Open Agenda

Open agenda is not available during this meeting. Comments received by the City Clerk or emailed to info@tonganoxie.org by 1:00 PM on the date of the meeting will be reviewed and possibly shared for review by the Governing Body.

V. Old Business

VI. New Business

- a) Public Hearing – Consideration of Submitting an Application for the Kansas Department of Commerce CDBG-CV Economic Development Grants

Due to the remote format of the meeting, public hearing comments must be received by the City Clerk or emailed to info@tonganoxie.org by 1:00 PM on the date of the meeting. Comments will be reviewed and shared with the Governing Body.

- b) Resolution 06-20-01: Approving and Authorizing the Execution of the Contract for Grant Application Services and the Contract for Administration Services between the City of Tonganoxie and Western Consultants LLC for the CDBG-CV Economic Development Grant

- c) Consideration of Utility Shut-Off Resumption and Draft Policy

- d) City Manager Agenda
 - 1. Urgent Needs Grant Update
 - 2. 2021 City Manager's Base Budget Presentation

- e) City Attorney Agenda

- f) Mayor Pro Tem Agenda

- g) City Council Agenda

- h) Mayor Agenda
 - 1. Discussion of Maintenance of City Entrances Signage and Volunteer Interest

VII. Information & Communications (No Action Required)

VIII. Adjourn

City Council Meeting Minutes
May 18, 2020
7:00 PM Meeting

Open Regular Meeting – 7:00 p.m.

I. Pledge of Allegiance (Replaced by Moment of Silence)

- Mayor Frese opened the meeting at 7:00 p.m.
- Mayor Frese, Mr. Himpel, Mr. Donnelly, Ms. Stevens, Ms. Patterson, and Mr. Dale participated via Zoom. City Manager George Brajkovic, Assistant City Manager Dan Porter, Public Works Director Kent Heskett, Water Park Manager Darren Shupe, and City Attorney Anna Krstulic also participated via Zoom.
- Mayor Frese noted that a flag was not available for the pledge of allegiance and instead led a moment of silence.

II. Approval of Minutes – Regular meeting dated May 4, 2020

- **Ms. Patterson made a motion to approve the minutes from the May 4, 2020 City Council meeting.**
- **Ms. Stevens seconded the motion.**
- **Roll call vote of all ayes, motion carried.**

III. Consent Agenda

- a) Review bill payments
- **Mr. Donnelly made a motion to approve the consent agenda.**
- **Ms. Patterson seconded the motion.**
- **Roll call vote of all ayes, motion carried.**

IV. Open Agenda

- No open agenda sign ups or submitted comments provided at this meeting.

V. Old Business

VI. New Business

- a) Public Hearing – West Village RHID
 - Mayor Frese opened the public hearing.
 - No members of the public participated in the public hearing.
 - Mayor Frese closed the public hearing.
- b) Ordinance No. 1485: Establishing the West Village Rural Housing Incentive District within the City and Adopting a Development Plan
 - Mr. Brajkovic shared a presentation about the West Village Rural Housing Incentive District project and the associated development plan.
 - Mr. Donnelly asked why the project capital investment estimate was greater than the projection for the assessed valuation.
 - Mr. Brajkovic responded that the total capital investment estimate includes soft costs like engineering services that are part of the project budget but will not be included in the County Appraiser's assessed valuation of the completed improvements.
 - **Mr. Himpel made a motion to approve Ordinance No. 1485, establishing the West Village Rural Housing Incentive District within the City and adopting a Development Plan.**
 - **Ms. Stevens seconded the motion.**
 - **Roll call vote of all ayes, motion carried.**

c) Tonganoxie Water Park 2020 Season Planning Discussion

- Mr. Brajkovic and Mr. Porter introduced the item and provided information about the decision whether to open the Tonganoxie Water Park in the summer of 2020.
- Mr. Shupe stated that he agreed with the information presented by the City Manager and Assistant City Manager and he will support whatever the Governing Body decides regarding the Water Park.
- Mr. Donnelly asked if anyone had received comments from the public.
- Mayor Frese replied that he conducted an informal social media poll and he estimated that 30% responded that they would not choose to visit the Water Park due to concerns about COVID-19.
- Ms. Patterson said that she had been approached by 2 citizens who asked if the City is going to open the Water Park, and she felt that the community is looking to the City Council for guidance.
- Mr. Dale said that he was reluctant to decide to close the Water Park for the summer and preferred to wait 2 weeks to assess the situation. He asked about the City's potential liability.
- Mr. Brajkovic responded that staff had been advised that the City could be liable for negligence under the Kansas Tort Claims Act for failure to ensure compliance with CDC guidelines for social distancing and cleaning the facility.
- Mayor Frese stated that he was saddened at the potential loss of this amenity for an entire season but he was worried about protecting public health.
- Ms. Stevens agreed that it would be heartbreaking not to open the Water Park, but she was concerned with safety, liability and financial issues.
- Mr. Himpel said that he did not believe the risks outweighed the benefits, and he was concerned with young staff, required procedures, and number of people that would come from other cities due to other pool closures.
- **Mr. Dale made a motion to table the decision of whether to open the Water Park to the June 1, 2020 City Council meeting in order to consider the progress of the State's Ad Astra plan and to allow City staff to provide more information about plans for complying with requirements for social distancing and sanitation.**
- **Motion failed for lack of a second.**
- **Mr. Donnelly made a motion to accept staff's recommendation to close the Tonganoxie Water Park for the 2020 season.**
- **Mr. Himpel seconded the motion.**
- **Roll call vote of all ayes, motion carried.**
- Mr. Himpel asked staff to review whether any savings realized by closure could be directed to improvements at the Water Park.

d) Resolution No. 05-20-01: Approval of 2020 Mill and Overlay Project Contract with Little Joe's Asphalt, Inc.

- Mr. Porter introduced the item and explained that staff propose entering into a contract with the lowest qualified bidder for the base bid and add/alternates #1 and #2.
- Mayor Frese asked if Little Joe's Asphalt performed quality work for the City in the past.
- Mr. Heskett replied that he was satisfied with their record of performance on past projects.
- **Mr. Donnelly made a motion to approve Resolution No. 05-20-01, accepting the bid of Little Joe's Asphalt, Inc. and authorizing the contract with Little Joe's Asphalt, Inc. for an amount not to exceed \$283,555.95.**
- **Mr. Himpel seconded the motion.**
- **Roll call vote of all ayes, motion carried.**

- e) Resolution No. 05-20-02: Approving and Authorizing the Execution of Supplemental Agreement #1 to the Water Treatment Plant Wastestream Summary Contract between the City of Tonganoxie and BG Consultants, Inc.
 - Mr. Porter introduced the item and explained that the supplemental agreement would allow for completion of design engineering for the project, which would be followed by self-performance of construction activities by the Public Works Department.
 - Mr. Himpel asked about the purpose of the project.
 - Mr. Heskett responded that this project would address water runoff from filter backwashing and other maintenance activities at the Water Treatment Plant.
 - **Mr. Donnelly made a motion to approve Resolution No. 05-20-02, approving and authorizing the execution of Supplemental Agreement #1 to the Water Treatment Plant Wastestream Summary Contract between the City of Tonganoxie and BG Consultants, Inc. in an amount not to exceed \$7,500.**
 - **Mr. Himpel seconded the motion.**
 - **Roll call vote of all ayes, motion carried.**
- f) City Manager Agenda
 - 1. Urgent Needs Grant Update
 - Mr. Brajkovic provided an update on construction activity for the project and noted that damage to the VFW's asphalt had been addressed.
 - Mr. Brajkovic said that City staff are researching the possibility of applying for economic development grant funds for relief from the impact of COVID-19 through the newly-launched CDBG-CV program.
 - 2. 2021 Budget Revenue Assumptions Update
 - Mr. Porter presented information about the City's estimate of revenues for the 2021 budget based on motor vehicle and sales tax information recently received from the State, and other sources of revenue.
- g) City Attorney Agenda
- h) Mayor Pro Tem Agenda
 - Mr. Himpel said that the Leavenworth County Board of County Commissioners will consider scheduling a joint meeting with the City Council to discuss utilization of the remaining proceeds of the Tonganoxie Business Park economic development grant. He plans to attend the Board's meeting on 5/20/2020.
- i) City Council Agenda
- j) Mayor Agenda

VII. Information & Communications (No Action Required)

VIII. Adjourn

- **Ms. Patterson made a motion to adjourn the meeting.**
- **Mr. Donnelly seconded the motion.**
- **Roll call vote of all ayes, motion carried.**
- **Meeting adjourned at 8:58 p.m.**

Respectfully submitted,



Dan Porter, Assistant City Manager



City of Tonganoxie, KS

Date Range: 05/16/2020 - 05/28/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
0059	Kansas City Board of Public Utilities	05/22/2020	Regular	0	20401.84	47585
0813	FREESTATE ELECTRIC COOPERATIVE	05/22/2020	Regular	0	1732	47582
0157	EDWARDS CHEMICALS	05/22/2020	Regular	0	1335.4	47581
0207	GEIGER READY-MIX	05/22/2020	Regular	0	1004	47584
0566	SALTUS TECHNOLOGIES	05/22/2020	Regular	0	969.37	47593
0363	KINCAID READY MIX	05/22/2020	Regular	0	870	47586
0857	MIDCONTINENT COMMUNICATIONS	05/22/2020	Regular	0	727.68	47590
1067	CCL Supply, LLC	05/22/2020	Regular	0	693.22	47580
0031	ASPHALT SALES COMPANY INC	05/22/2020	Regular	0	488.78	47578
0399	LEAVENWORTH ASPHALT MATERIALS	05/22/2020	Regular	0	471.61	47587
0635	TOTAL ELECTRIC CONTRACTORS INC	05/22/2020	Regular	0	372	47594
0015	ALL SEASONS CAR WASH	05/22/2020	Regular	0	232.63	47577
0039	BAMFORD FIRE SPRINKLER CO	05/22/2020	Regular	0	224	47579
0443	MENARDS	05/22/2020	Regular	0	155.76	47589
0658	VFW POST #9271	05/22/2020	Regular	0	150	47595
0205	GALL'S LLC	05/22/2020	Regular	0	125.94	47583
1007	LEAVENWORTH PAPER & OFFICE SUPPLY LLC	05/22/2020	Regular	0	119.29	47588
0384	PAUL LAMB	05/22/2020	Regular	0	38	47591
0542	QUILL	05/22/2020	Regular	0	22.7	47592

Bank Code AP Bank Summary

Payment Type	Payable	Payment	Discount	Payment
	Count	Count		
Regular Checks	22	19	0.00	30,134.22
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	22	19	0.00	30,134.22

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	22	19	0.00	30,134.22
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	22	19	0.00	30,134.22

Fund Summary

Fund	Name	Period	Amount
998	Gen Fund-Pooled Cash	5/2020	30134.22
			30134.22

Kansas Department of Commerce CDBG-CV Grant Funds Public Hearing



CITY COUNCIL

JUNE 1, 2020



What are we here for tonight?



- As required for public participation, conduct a public hearing to consider submitting an application for the Kansas Department of Commerce CDBG-CV economic development grants
- Adopt Resolution 06-20-01 allowing the City to enter into agreements with Governmental Assistance Services (GAS) for application submittal and – if awarded – grant administration for CDBG-CV grant funds

What are CDBG-CV grants



- KDOC announced May 11, 2020 - \$9,029,815 of CAREs Act funds would be applied to the CDBG-CV program for economic development and meal program grants
- Economic Development – non entitlement Cities and Counties can apply for up to \$300k
- First come, first serve basis
- Based on number of FTEs at or below low to moderate (LMI) income levels for LvCo
 - 1-5 FTEs – “micro-grant”, up to \$30k
 - 6-50 FTEs – “economic development grant”, up to \$50k

LvCo Household LMI qualifiers



County	Median Income	Income Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Leavenworth County		30% of Median	Family 18,100	Family 20,650	Family 23,250	Family 26,200	Family 30,680	Family 35,160	Family 39,640	Family 44,120
	\$86,000	50% Of Median	30,100	34,400	38,700	43,000	46,450	49,900	53,350	56,800
		80% of Median	48,200	55,050	61,950	68,800	74,350	79,850	85,350	90,850

Interest in CDBG-CV grants from Tonganoxie Business Community



- May 15, 2020 - Advertised on City Facebook page and website, also through Tonganoxie Business Association and direct outreach
- 4 businesses indicated interest
- May 19, 2020 – conducted Zoom meeting with rep from Governmental Assistance Services (GAS), 2 businesses participated
- Through meetings and correspondence with businesses—propose **\$135k in grants**, for 4 businesses
- May 21, 2020 – due date Notice for public hearing for publication on May 23, 2020
- 2 additional businesses indicated interest afterwards, will dilute the amount of available grant funds

Timeline to receive funds – 45 days



- Step 1: June 1 – Public hearing for City to submit application to CDBG
- Step 2: June 2 - Application submittal to CDBG
- Step 3: CDBG timeframe for applications to be processed – their q & a says goal is 15 days
- Step 4: first “Draw Request” is likely to be at least two weeks. This allows time for the City to sign its contract with CDBG and for business owners to gather invoices and complete the proper forms.
- Step 5: Funds from City to business – CDBG q & a says 10-14 days

Consultant services – Governmental Assistance Services (GAS)



- **Governmental Assistance Services (GAS)**
 - Consultant selected, through RFP process, for CDBG Emergency Urgent Needs Grant for sanitary sewer crossing
 - Proposed fee to complete and submit application to CDBG - \$3,325
 - Proposed fee for grant administration - \$6,425
 - ✦ Can use grant funds to pay for this, but need to go through RFP for services
 - ✦ Using grant funds allows for fee to be 10% of grant amount or maximum of \$15k



What are we here for tonight?



- As required for public participation, conduct a public hearing to consider submitting an application for the Kansas Department of Commerce CDBG-CV economic development grants
- Adopt Resolution 06-20-01 allowing the City to enter into agreements with Governmental Assistance Services (GAS) for application submittal and – if awarded – grant administration for CDBG-CV grant funds

RESOLUTION NO. 06-20-01

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF THE CONTRACT FOR GRANT APPLICATION SERVICES AND THE CONTRACT FOR ADMINISTRATION SERVICES BETWEEN THE CITY OF TONGANOXIE, KANSAS AND WESTERN CONSULTANTS LLC FOR THE CDBG-CV ECONOMIC DEVELOPMENT GRANT.

WHEREAS, the Kansas Department of Commerce (the "KDOC") has announced the receipt of federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the CDBG-CV program for economic development and meal program grants; and

WHEREAS, the City of Tonganoxie, Kansas (the "City") wants to apply for a CDBG-CV economic development grant in order to assist certain local businesses with retaining jobs for low to moderate income individuals (the "Grant"); and

WHEREAS, Western Consultants LLC, a Kansas limited liability company d/b/a Governmental Assistance Services ("Western Consultants"), desires to assist the City with applying for the Grant, and, if KDOC awards the Grant to the City, administering the Grant; and

WHEREAS, the Grant would promote the public good, health, and welfare within the City; and

WHEREAS, the Governing Body has determined that it is advisable to enter into (1) the Contract for Grant Application Services, attached hereto as Exhibit A (the "Application Contract"); and (2) if KDOC awards the Grant to the City, the Contract for Administration Services, attached hereto as Exhibit B (the "Administration Contract"), both with Western Consultants.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF TONGANOXIE, KANSAS:

Section 1. That the Governing Body hereby approves the Application Contract and the Administration Contract in substantially the form attached hereto.

Section 2. That the Mayor is hereby authorized to execute in the name of the City, the Application Contract and, if KDOC awards the Grant to the City, the Administration Contract. The City Manager is hereby authorized to execute in the name of the City any documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 3. This Resolution shall be effective upon adoption by the Governing Body.

**ADOPTED BY THE GOVERNING BODY OF THE CITY OF TONGANOXIE,
KANSAS, AND APPROVED BY THE MAYOR ON THIS 1st DAY OF JUNE, 2020.**

SEAL

David Frese, Mayor

ATTEST:

Patricia C. Hagg, City Clerk

EXHIBIT A

APPLICATION CONTRACT

[Attached.]

EXHIBIT B

ADMINISTRATION CONTRACT

[Attached.]

**CONTRACT FOR ADMINISTRATION SERVICES
FOR THE CITY OF TONGANOXIE, KANSAS
CDBG-CV PROGRAM**

THIS CONTRACT FOR ADMINISTRATION SERVICES (this "Contract") is made and entered into this ____ day of _____, 2020 by and between WESTERN CONSULTANTS LLC, a Kansas limited liability company d/b/a GOVERNMENTAL ASSISTANCE SERVICES, PO Box 187, Lawrence, Kansas 66044 ("WESTERN CONSULTANTS"), and the CITY OF TONGANOXIE, KANSAS (the "CITY"). **This Contract is contingent upon award of a current Community Development Block Grant ("CDBG") application from the State of Kansas Department of Commerce ("KDOC").**

WHEREAS, KDOC has announced the receipt of federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the CDBG-CV program for economic development and meal program grants; and

WHEREAS, the CITY wants to apply for a CDBG-CV economic development grant in order to assist certain local businesses with retaining jobs for low to moderate income individuals (the "Project"); and

WHEREAS, the Project requires the services of a qualified administrator;

NOW, THEREFORE, the CITY engages the services of WESTERN CONSULTANTS upon the following terms and conditions:

1. TERMINATION OF CONTRACT

A. FOR CAUSE

If, through any cause, either party shall fail to fulfill, in a timely and proper manner, their obligations under this Contract, or if either party shall violate any of the covenants, agreements, or stipulations of this Contract, the other party shall thereupon have the right to terminate this Contract by giving written notice to the breaching party of such termination and specifying the effective date thereof. This notice shall not be less than fifteen (15) days prior to the effective date.

B. FOR CONVENIENCE

The CITY OF TONGANOXIE may terminate this Contract, in whole or in part, at any time by written notice to WESTERN CONSULTANTS.

In event of termination, all finished or unfinished documents, studies and reports prepared by WESTERN CONSULTANTS, under this Contract, shall remain the property of WESTERN CONSULTANTS until WESTERN CONSULTANTS receives just and equitable compensation for any work satisfactorily completed hereunder, in accordance with this Contract, whereupon said documents, studies and reports shall become the property of the CITY.

2. CHANGES

The CITY may from time to time, request changes in the scope of services of WESTERN CONSULTANTS to be performed hereunder. Such changes, including any increase or decrease in the amount of WESTERN CONSULTANTS' compensation, which are mutually agreed upon by both parties shall be incorporated in written amendments to this Contract.

3. PERSONNEL

- A. WESTERN CONSULTANTS represents that it has, or will secure at its own expense, all personnel required in performing the services under this Contract. Such personnel shall not be the employees of or have any contractual relationship with the CITY.
- B. All of the services required hereunder will be performed by WESTERN CONSULTANTS or under its supervision and all personnel shall be fully qualified to perform such services.
- C. None of the work or services covered by this Contract shall be subcontracted without the prior approval of the CITY. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.

4. SERVICES OF WESTERN CONSULTANTS

Services outlined in this Contract are those necessary to effectively administer the Project. The following summary of services is not intended to limit the scope of service, but is intended to illustrate the work and services to be provided by WESTERN CONSULTANTS.

These services will include, but are not limited to the following:

- Prepare reports and paperwork to be submitted to State departments involved in the Project.
- Perform necessary account procedures relating to the Project until the Project is completed.
- Assist the CITY and grant recipients with adherence to affirmative action rules and regulations.
- Prepare documentation for procurement procedures.
- Review payment requests and check these against invoices.
- Process payment requests promptly.
- Prepare documentation relating to Release of Funds from State departments involved.

- Prepare "No Significant Impact" certificate.
- Work closely with CITY staff throughout the entire Project.
- Attend meetings that are Project-related.
- Report schedule changes to Governing Body.
- Assist CITY in Project-related public hearings required throughout the entire Project.
- Work closely with all State departments and furnish additional information they may request.
- Attend monitoring visits set up by State departments.
- Perform additional duties as may be required.
- Apply for any necessary time extensions.
- Provide proper close-out requested by State departments involved in the Project.
- Operate within Federal and State guidelines as required by the CDBG program, including but not limited to:
 1. Title VI of the Civil Rights Act of 1964
 2. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act)
 3. Section 109 Certifications
 4. Section 504 Certifications
 5. Age Discrimination Act of 1975
 6. Fair Housing Amendments Act of 1988
 7. Executive Order 11063 Certifications
 8. Kansas Act Against Discrimination
 9. Executive Order 11246 Certifications
 10. Section 3 Certifications
 11. Title VIII of the Civil Rights Act of 1968 as amended by the Housing Act of 1974
 12. Section 503 of the Rehabilitation Act of 1973, as amended
 13. 24 CFR 85 as modified by 24 CFR 570 Subpart J
 14. Title 1 of the Housing and Community Development Act of 1974, as amended
 15. Section 519 of Public Law 101-144 (the 1990 HUD Appropriation Act)
 16. Cranston-Gonzales National Affordable Housing Act (Sections 906 and 912)
- Assist the CITY in developing a financial management system which will meet State and Local standards.
- Comply with all applicable laws, ordinances and codes for State and Local governments.

- Not discriminate against any employee or applicant for employment because of race, sex, creed, color or national origin. WESTERN CONSULTANTS will take affirmative action to ensure that applicants are employed, and that employees are treated equally during employment, without regard to their race, creed, sex, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. WESTERN CONSULTANTS agrees to post, in conspicuous places, available to employees and applicants for employment, notices to be provided by the CITY, setting forth the provisions of this non-discrimination clause.

5. AUDIT

If required by the KDOC, the CITY will be responsible for having the records relating to the Project audited by a Certified Public Accountant at the completion of this Project. The expense for this audit will be a responsibility of the CITY.

6. INTEREST OF THE CITY'S GOVERNING BODY

No member of the Governing Body of the CITY, and no other officer, employee or agent of the City who exercises any functions or responsibilities in connection with the planning and carrying out of the program shall have any personal financial interest, direct or indirect, in this Contract, and WESTERN CONSULTANTS shall take appropriate steps to insure compliance.

7. INTEREST OF WESTERN CONSULTANTS AND EMPLOYEES

WESTERN CONSULTANTS covenants that it presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest of its service hereunder. WESTERN CONSULTANTS further covenants that no person having any such interest shall be employed in the performance of this Contract.

8. FEES

The CITY agrees to pay WESTERN CONSULTANTS a fee for the services outlined. The fee for these services will be as follows:

Services will be billed at \$125.50 per hour not to exceed a maximum compensation amount of \$6,425.00 (the "Maximum Compensation"). If the Project has an additional time extension past the projected 12-month completion date, and the Maximum Compensation has been expended for administration hours worked, all additional work hours will be billed at the current accepted rate of \$125.50 and payment for such additional work hours must be authorized by a Change Order mutually agreed upon in writing by the CITY and WESTERN CONSULTANTS.

In no way can the contract be changed without a written amendment approved by the CITY.

IN WITNESS WHEREOF, the parties have signed this Contract the day and year first mentioned above.

(SEAL)

CITY:

David Frese, Mayor

ATTEST:

Patricia C. Hagg, City Clerk

IN WITNESS WHEREOF, the parties have signed this Contract the day and year first mentioned above.

WESTERN CONSULTANTS:

Brett Waggoner

**CONTRACT FOR GRANT APPLICATION SERVICES
FOR THE CITY OF TONGANOXIE, KANSAS
CDBG-CV PROGRAM**

THIS CONTRACT FOR APPLICATION SERVICES (this "Contract") is made and entered into this ____ day of _____, 2020 by and between WESTERN CONSULTANTS LLC, a Kansas limited liability company d/b/a GOVERNMENTAL ASSISTANCE SERVICES, PO Box 187, Lawrence, Kansas 66044 ("WESTERN CONSULTANTS"), and the CITY OF TONGANOXIE, KANSAS (the "CITY").

WHEREAS, the Kansas Department of Commerce ("KDOC") has announced the receipt of federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the CDBG-CV program for economic development and meal program grants; and

WHEREAS, the CITY wants to apply for a CDBG-CV economic development grant in order to assist certain local businesses with retaining jobs for low to moderate income individuals; and

WHEREAS, the CITY desires to retain WESTERN CONSULTANTS to prepare and submit the CDBG-CV Grant Application to the KDOC on behalf of the City;

NOW, THEREFORE, the parties agree as follows:

1. WESTERN CONSULTANTS agrees to prepare and submit the CDBG-CV Grant Application in accordance within the rules and regulations set forth by each State and Federal agency involved.
2. In exchange for performance of the services described above related to the preparation and submission of the CDBG-CV Grant Application, the CITY shall authorize payment, as an allowable cost, to WESTERN CONSULTANTS in the amount of \$3,325.00, due within 10 business days of the day and year first mentioned above.
3. The CITY will be responsible for payment of any public hearing costs associated with the CDBG-CV Grant Application.

[Remainder of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties have signed this Contract the day and year first mentioned above.

(SEAL)

CITY:

David Frese, Mayor

ATTEST:

Patricia C. Hagg, City Clerk

IN WITNESS WHEREOF, the parties have signed this Contract the day and year first mentioned above.

WESTERN CONSULTANTS:

Brett Waggoner



MEMORANDUM

TO: Mayor David Frese
City Council

FROM: George Brajkovic, City Manager

DATE: May 29, 2020

Re: **COVID-19 related Utility Shut-off Analysis for Monthly Water/Sewer Billing Cycles**

Governor Laura Kelly issued Executive Order No. 20-05 on March 17, 2020, which directed all Kansas utility companies to temporarily suspend the practice of disconnecting service to Kansas customers for non-payment, and was to remain in force until rescinded, until May 1, 2020, or until the statewide State of Disaster Emergency proclaimed on March 12, 2020 expires.

On April 30, 2020, Governor Kelly issued Executive Order 20-28 which extended the previous 20-05 Order to remain in force until May 31, 2020 or until the statewide State of Disaster Emergency proclaimed on April 30, 2020 expired.

However, on May 26, 2020, Governor Kelly issued a “new” statewide State of Disaster Emergency. In effect, this new declaration canceled her previous Orders. The Governor did not issue new Orders for the prohibition on Utility disconnections. Therefore, as of May 26, 2020, utility providers can resume the practice of utility disconnection for nonpayment.

This MEMO contains a recommendation for instituting a COVID related delinquent account policy in our June 2020 billing cycle for delinquencies occurring in March, April and May 2020.

Background:

Our current billing practices are defined in the Water and Sewer Regulations, Section 15-201 of the City Code, Article 3. “Rates, Billing and Meters,” Section 5. “Monthly Billing,” and Section 6. “Disconnection of Services for non-payment.” In summary, bills are mailed on the 1st of the month and generally due on the 15th; a 10% late fee will be assessed on all bills that are not paid by the due date (as established by Ordinance 1166). The late fee is only assessed one time for the month in which the delinquency has occurred. For customers that have not paid by the due date, late notices are mailed to them; subsequently by the end of the month, the residence is posted that utilities will be disconnected in the upcoming days, thus allowing the customer a third opportunity to either make a payment or make payment arrangements. If the utilities are disconnected, there is a \$30 reconnection fee.

In a typical month, we have up to 400 customers who have not made payment by the due date. Subsequently, we get to 40-70 users who are placed on a shut-off list; of those, generally we have 30-50 that are disconnected.



March/April/May 2020 Analysis:

For the March billing cycle, there were 405 late notices distributed, with 72 customers making the shut-off postings; average delinquency for this month is \$72.

For the April billing cycle, there were 398 late notices distributed, with 68 customers making the shut-off postings; average delinquency for this month is \$75.

For the May billing cycle, there were 313 late notices distributed, with 50 customers making the shut-off postings; average delinquency for this month is \$113.

In summary, as of the date of this correspondence, for the three month period referenced there is a cumulative total of 134 delinquent accounts, and a cumulative total of \$19,435.84 in past due bills.

Delinquent Account Policy Recommendation:

Our current billing software does allow for customers to enter into a bill payment plan. A consideration would be to allow delinquent customers (because of a COVID-19 hardship finding) to enter into a 4 month agreement to repay 25% of their delinquent amount per month plus the current monthly bill. This would allow a customer incurring any delinquency during the referenced period, to be able to repay their delinquency by October, in manageable increments.

This approach needs to include ensuring that the 25% amount is paid each time or risk a disconnection and reconnect fee.

There are many factors to consider here, but please remember there are budgetary considerations for both the late fees and reconnection fees, in addition to the typical monthly payments, which are built into our annual budgets.

Other Resources:

In the past, organizations like Good Shepherd and Catholic Charities have offered financial assistance to customers unable to make their utility payments.

Conclusion:

I believe that waiting until the June billing cycle, with disconnections for delinquent accounts not occurring until June 29th, allows impacted customers more than 30 days from the Governor's May 26th Emergency Declaration which ended the prohibition on utility disconnects. In essence, it creates a "4-4 Rule," meaning 4 months without disrupted service despite the delinquency, and 4 months to repay the delinquency.

2021 CITY MANAGER'S PROPOSED BUDGET PRESENTATION

JUNE 1, 2020



WHAT ARE WE HERE FOR TONIGHT

- Review 2021 City Manager's Budget Information
 - Key Revenues – predicted but will fine tune
 - Key Expenditures – less complete

- Building Towards Awareness of Margin by Fund for decision making

- Goal of Collecting Council Feedback about:
 - Key Revenue Assumptions
 - Most importantly, policy decisions on major projects

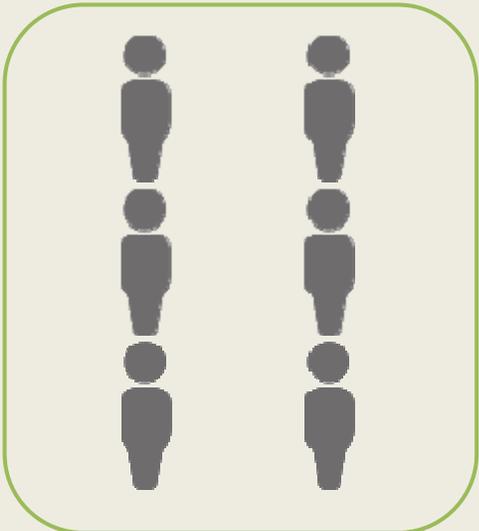
- Next Steps

ROLES & RESPONSIBILITIES

Residents & Businesses provide input about desired services and amenities



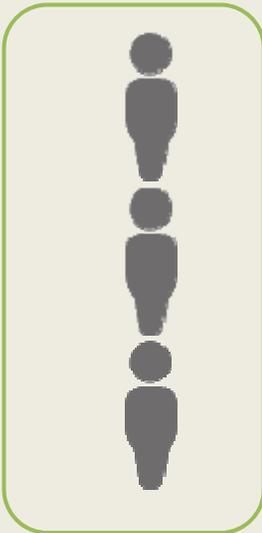
City Council Act as the Policy Makers



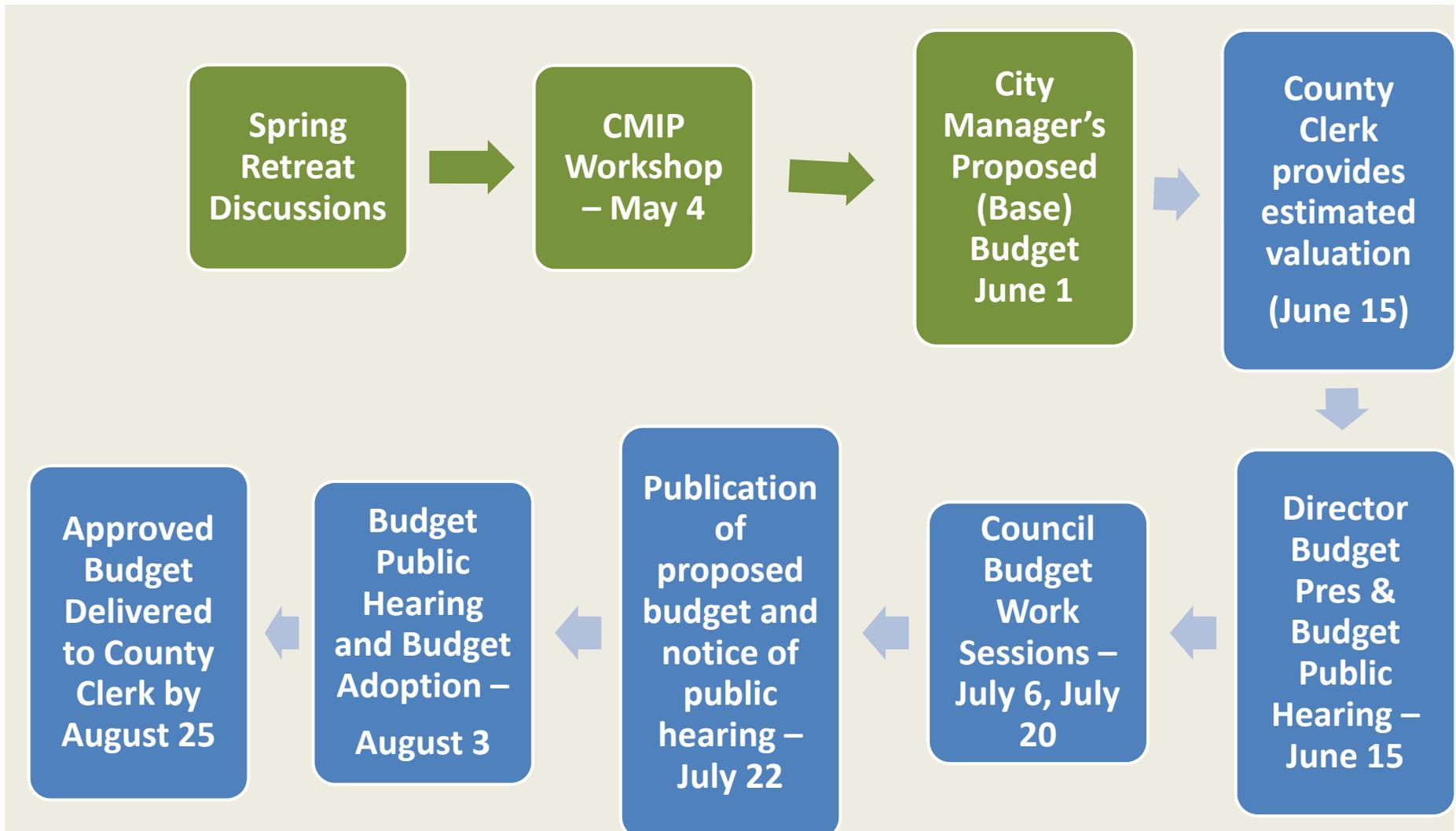
Approve Annual Budget Authority



City Staff Execute the Plan



2021 BUDGET DEVELOPMENT PROCESS CALENDAR



KEY ASSUMPTIONS

2021 CITY MANAGER'S BUDGET

REVENUES

- Flat Assessed Valuation increase overall, including new growth
 - 8% increase in Motor Vehicle and Personal Property Tax
- 1% City Sales Tax growth and 3% decrease in County Sales Tax
- Flat (0%) growth in Franchise Fees
- 9% decrease in Court Fines
- No utility rate changes in 2021

EXPENDITURES

- Continuation of current service levels
- Debt Service planning for current issuances
- 5% Merit increase opportunity for all full-time employees*
- 8% increase for Insurance Premiums*
- \$10,000 allocated to support of Community Events

KEY ASSUMPTIONS

2021 CITY MANAGER'S BUDGET

OTHER EXPENDITURES LIKELY TO BE SUBMITTED FOR CONSIDERATION

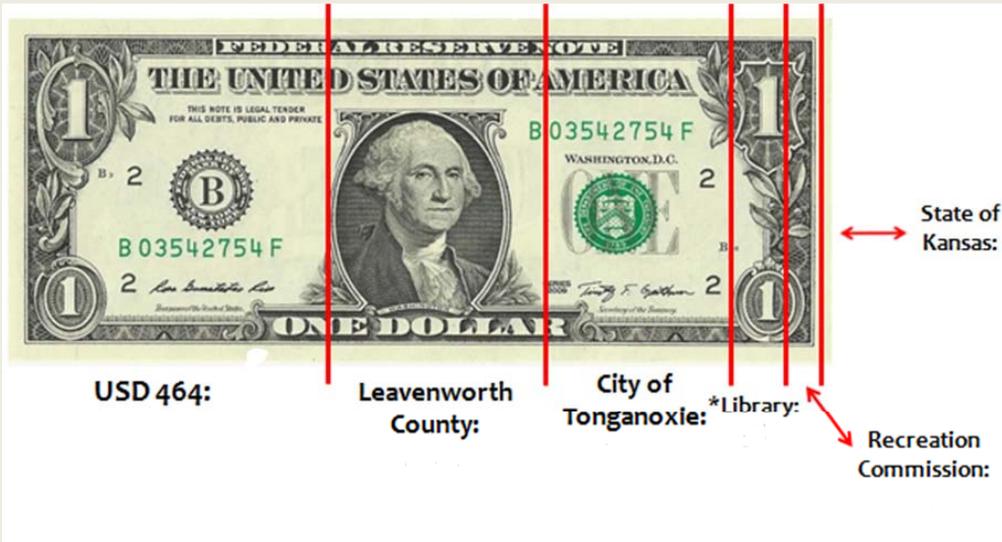
■ Support for Local Organizations

- Tonganoxie Business Association - \$5,000 in 2020
- Tonganoxie Arts Council - \$1,000 Funded out of \$5,000 Request in 2020

■ Memberships, Associations, and Economic Development

- Mid America Regional Council - \$1,221 in 2020
- League of Kansas Municipalities - \$2,982 in 2020
- Leavenworth County Development Corporation - \$8,829 req. for 2021

PROPERTY TAXES OVERVIEW



2019 Tax Levy for 2020 Budget

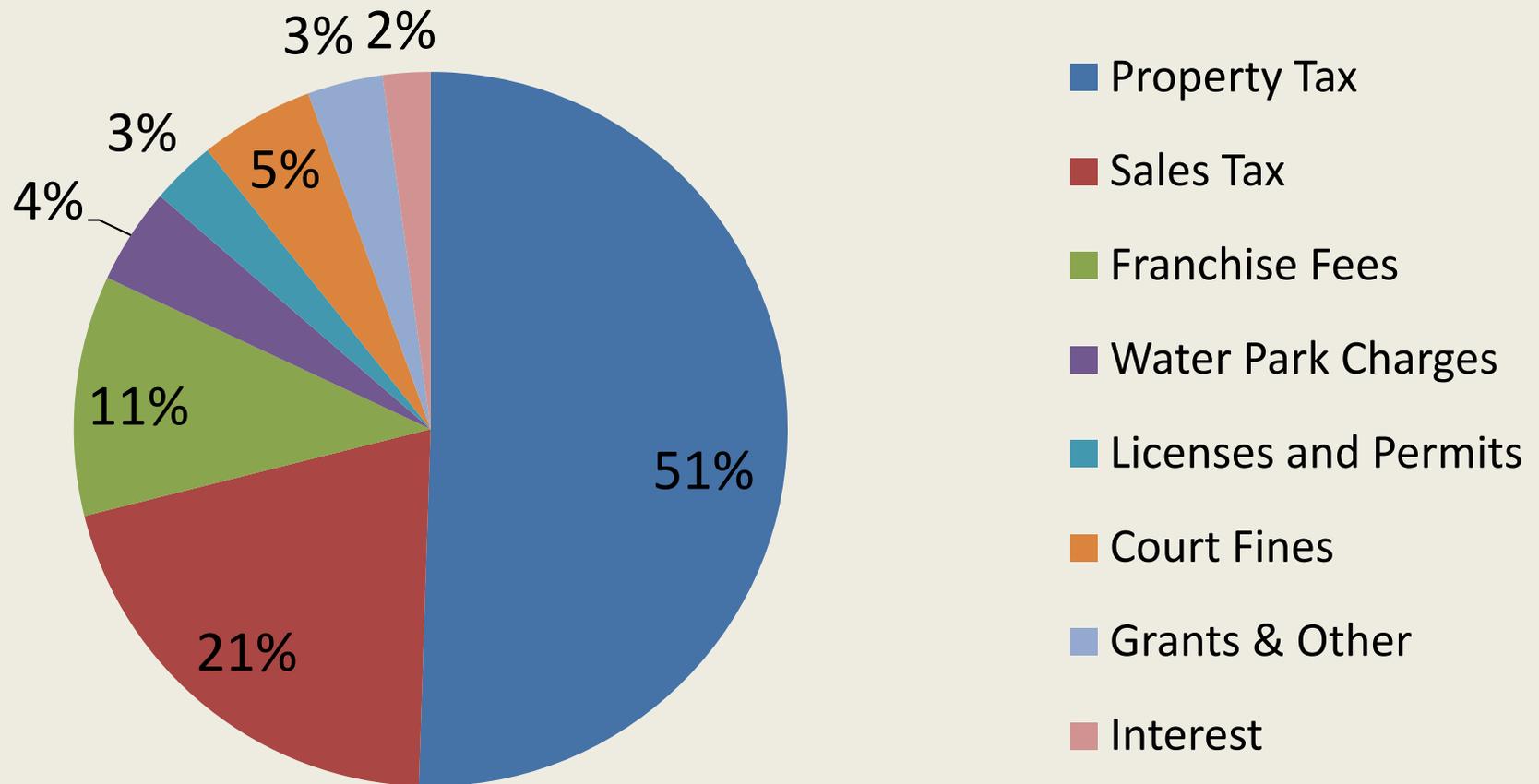
Taxing Entity or Recipient	Mill Levy	% of Mill Levy
State of KS	1.500	1.00%
Leavenworth County	37.184	24.90%
Tonganoxie City (Library)	7.861	5.26%
Tonganoxie City (City)	37.428	25.07%
USD 464 (School District)	60.335	40.41%
USD 464 (Recreation Commission)	4.999	3.35%
Total	149.307	100.00%

Fund	2020 Projected Revenue
General	\$ 1,251,047.10
Debt Service	\$ 441,006.20
Library	\$ 269,034.12
Library Emp Ben	\$ 86,347.70
Total	\$ 2,047,435.12

REVENUE ASSUMPTIONS

2020 REVENUE ASSUMPTIONS – GENERAL FUND

Total Revenue - \$3,150,065



REVENUE ASSUMPTIONS

PROPERTY TAX

■ **No Property Tax Revenue Increase in 2021 = \$ 1,884,329.28**

Tonganoxie Tax Levy (in mills) and Assessed Valuation History

Fund	2020 Certified	2019	2018	2017
General	27.6730	27.678	27.678	27.884
Employee Benefit				
Debt Service	9.7550	9.757	9.757	9.4
Library	5.9510	5.95	5.974	5.955
Library Emp Ben	1.9100	1.910	1.917	1.601
Total	45.289	45.295	45.326	44.840

Assessed Valuation	\$45,203,591	\$41,614,127	\$38,476,385	\$36,612,087
1 Mill Equals	\$45,203	\$41,614	\$38,476	\$36,612

AV % Growth 8.59% 8.15% 5.09% 3.23%

REVENUE ASSUMPTIONS PROPERTY TAX LID

- **No Property Tax increases - \$ 1,884,329.28**

TAX LID IMPLICATIONS –

- City cannot exceed 5 year CPI (1.5%) in growth from last year's tax assessment without going to a vote
 - 1.8% = \$33,917
 - Preliminary 2020 budget tax assessment COMING SOON – June 15
- Exemptions:
 - New development added value
 - Debt Service
 - Increase in Law enforcement Costs
 - Increase in Fire Protection Costs
 - Library (property tax revenue collected for another entity)

REVENUE ASSUMPTIONS

SALES & USE TAX

- **Sales Tax is governed by Kansas Statute**
 - Cities cannot exceed 2.0% for general purpose or 1% for special purpose
- **64% of voters approved a 2017 ballot initiative to replace the 0.75% Special Purpose Sales Tax to fund the construction of the Tonganoxie Water Park with a 0.75% General Purpose Sales Tax to fund the following initiatives:**
 - construction of a new library
 - construction of new capital improvements
 - maintaining new and current infrastructure
 - funding debt issued for capital improvements



REVENUE ASSUMPTIONS SALES & USE TAX

Proceeds are a critical revenue for operations & infrastructure

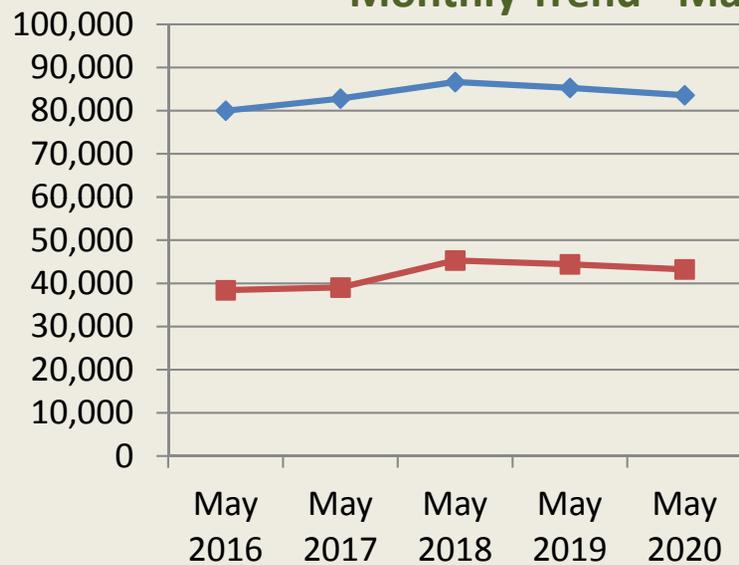
- 21% of General Fund revenue in 2020 - \$566,000 estimated
- 100% of Infras. Sales Tax Fund revenue in 2020 - \$409,000 estimated
- 75% of Capital Projects Fund revenue in 2020 - \$467,000 estimated

Definitions for Tonganoxie

- Local Sales Tax – Tax on sales within the City remitted directly to the City
- Local Compensating Use Tax – Local tax on sales ordered outside the City but delivered within the City
- Share of County Sales & Use Tax – County sales tax proceeds split between the County and cities within the County through a statutory formula

REVENUE ASSUMPTIONS SALES & USE TAX TRENDS

Monthly Trend - May Collections

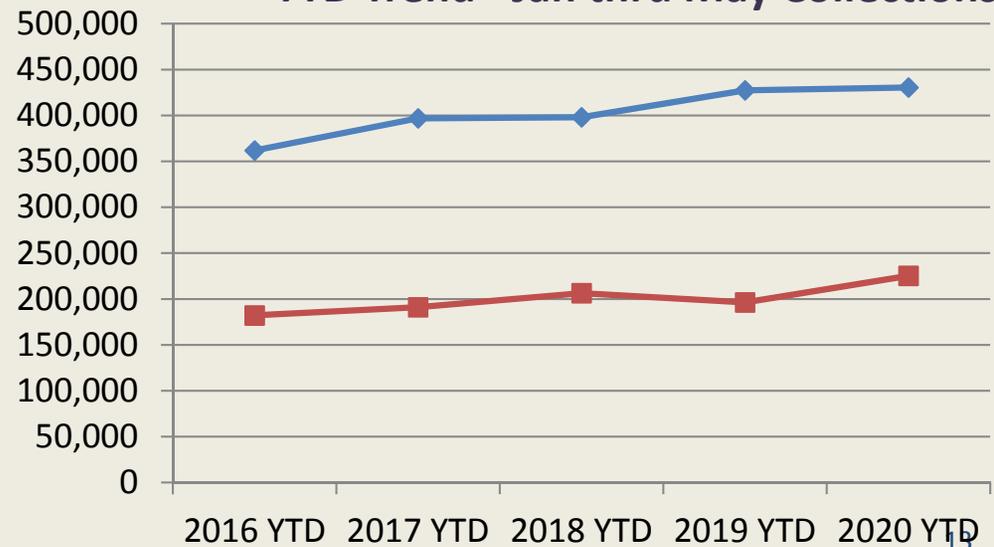


City – Down 2% from prior year
County – Down 2.8% from prior year

◆ City Sales
 ■ County Sales Tax

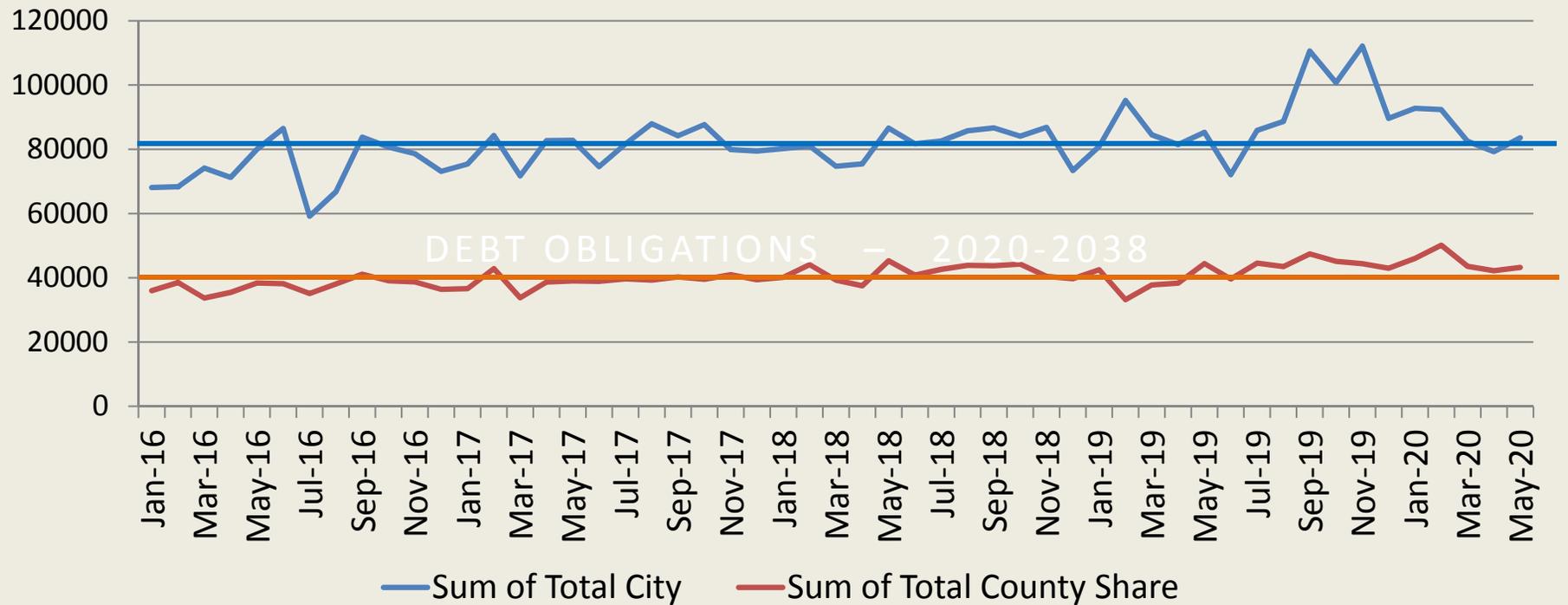
City – Up 0.5% from prior year
County – Up 12% from prior year

YTD Trend - Jan thru May Collections



REVENUE ASSUMPTIONS

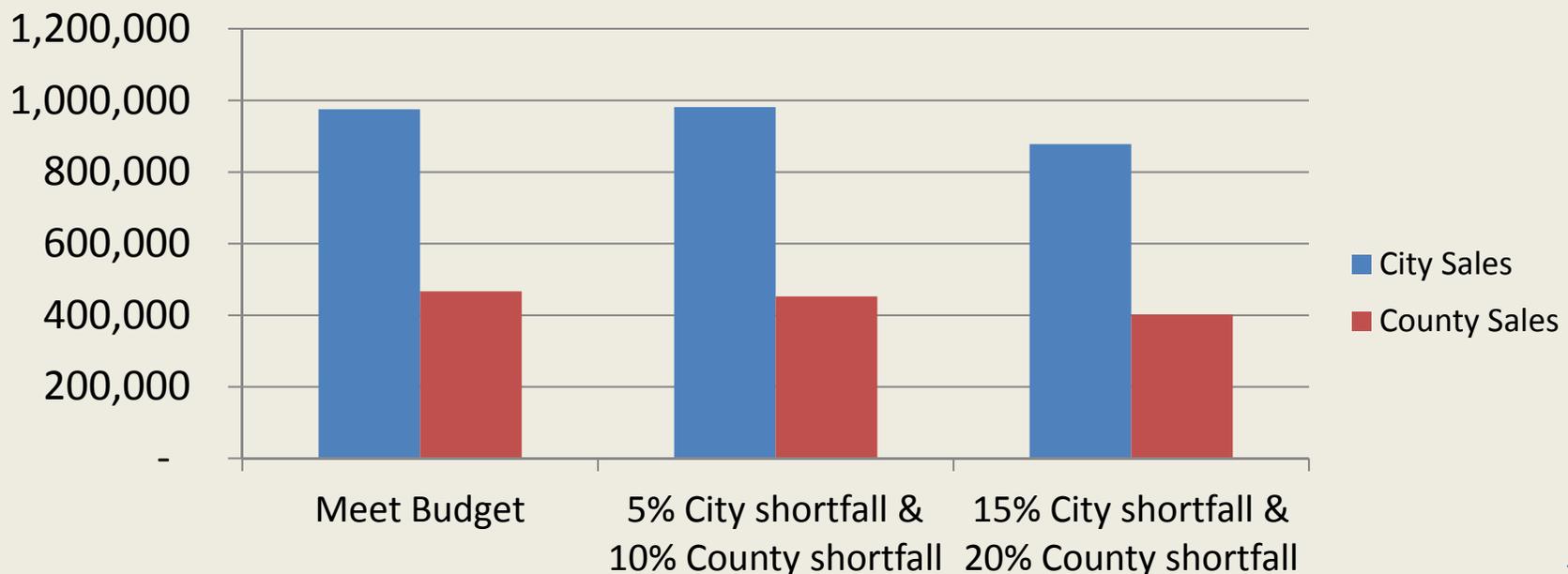
SALES & USE TAX LONG TERM TREND



REVENUE ASSUMPTIONS CONT. SALES & USE SCENARIOS

2020 Outcome Scenarios	City Sales Tax	County Sales Tax
Meet 2020 Budget	\$975,000	\$467,000
5% City shortfall & 10% County shortfall	\$981,420	\$452,579
15% City shortfall & 20% County shortfall	\$878,113	\$402,293

Assumption of changes relative to 2 yr average of actual collections

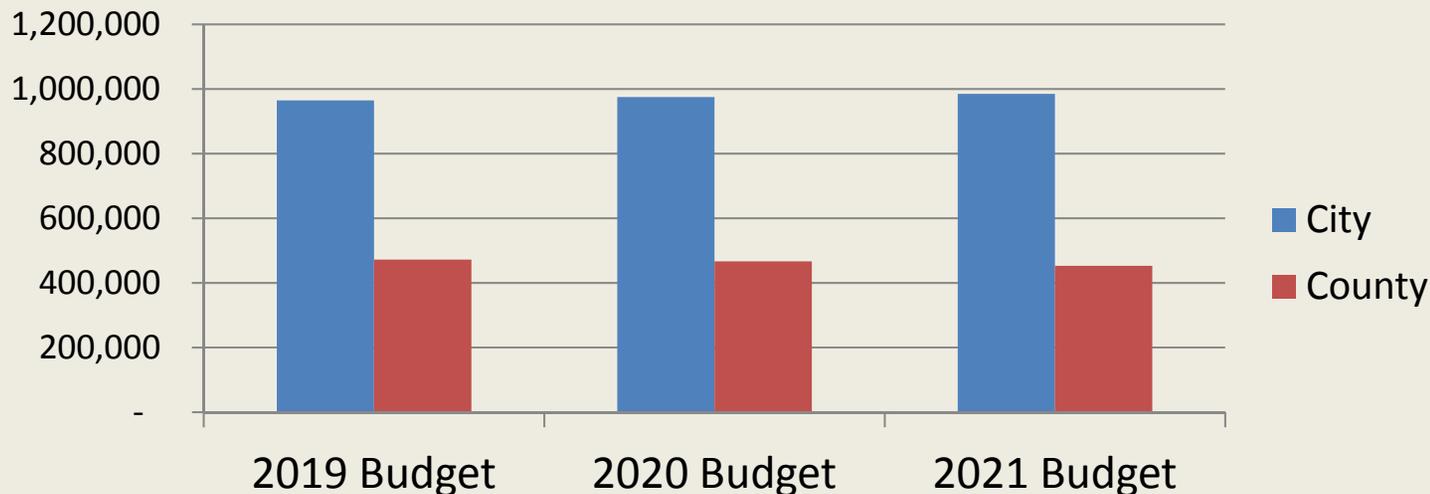


REVENUE ASSUMPTIONS CONT. SALES & USE TAX 2021 BUDGET

	2019 Actual	2020 Budget	2020 Estimate*	2021 Budget**
City	1,087,135	975,000	981,420	985,000
County	503,827	467,000	452,579	453,000

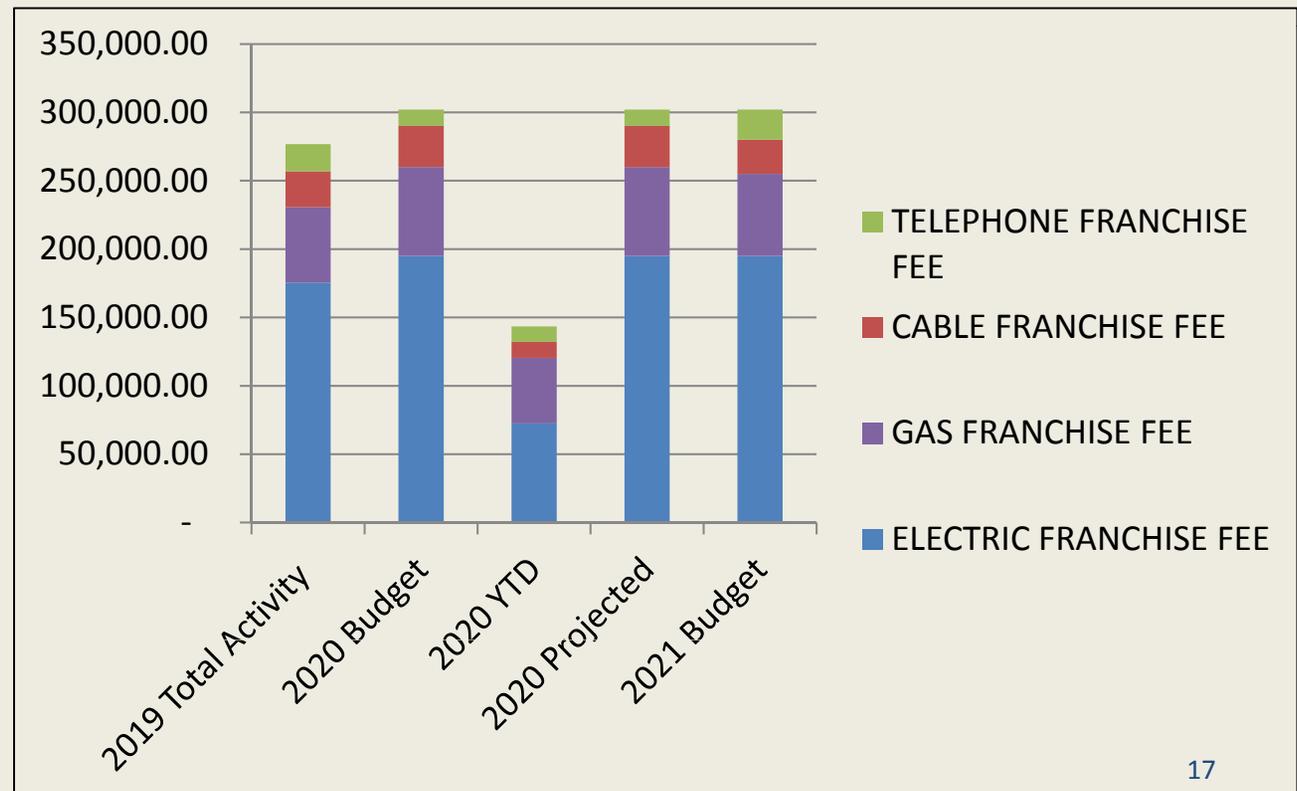
*assumes 5%/10% (City/County) shortfall scenario
**Change relative to 2020 Budget

The 2021 budget assumes 1% City tax increase and 3% County Tax decrease



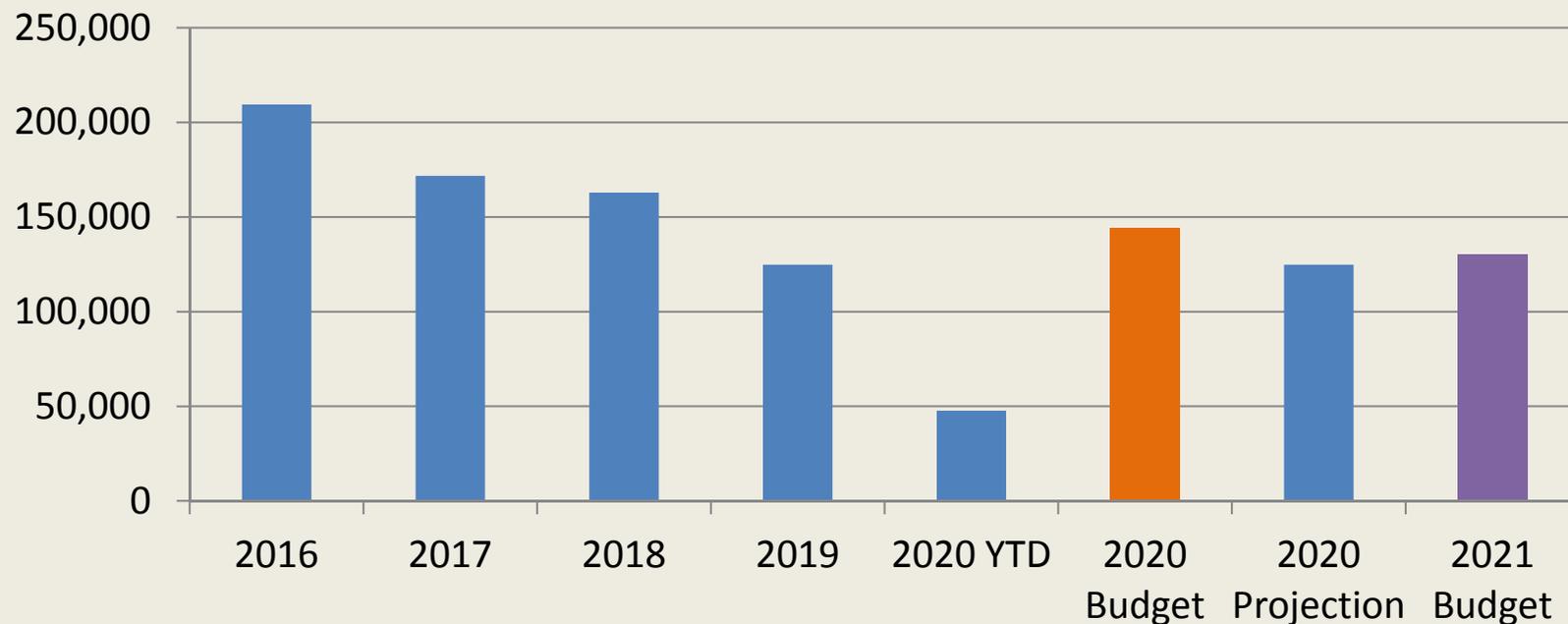
REVENUE ASSUMPTIONS CONT. FRANCHISE FEES

- 0% growth (flat revenue assumption) in Franchise Fees
- Total Budget (all franchise fees)
 - 2017: \$283,500
 - 2018: \$298,500
 - 2019: \$302,000
 - 2020: \$302,000



REVENUE ASSUMPTIONS COURT FINES

- 10% decrease in 2020 Court Fines collections anticipated due to COVID
- 2020 Budget = \$144,000
- 2021 Budget = \$130,000 – 9% decrease from 2020



GENERAL FUND CURRENT OVERVIEW

- Revenues (Projected 2021)
 - Net change from 2020 is -0.89% (\$-26,537)
 - Any property tax

- Expenditures
 - 2020 Budget - \$3,150,065
 - 2021 Estimated Budget – Unknown at this time

STAFFING ASSUMPTIONS

The City currently has a total of 35 full-time, permanent budgeted positions

- City Manager & Administration Department (5)
- Public Works Department (9)
- Police Department (13 sworn personnel, 1 civilian)
- Fire Department (7 Full-Time, plus part time & volunteer)



Seasonal and Part-Time

- Water Park (1 full-time Seasonal and 29 part-time Seasonal)
- Seasonal Laborer – Public Works
- Part-time Code Enforcement Officer
- Part-time Administrative Assistant

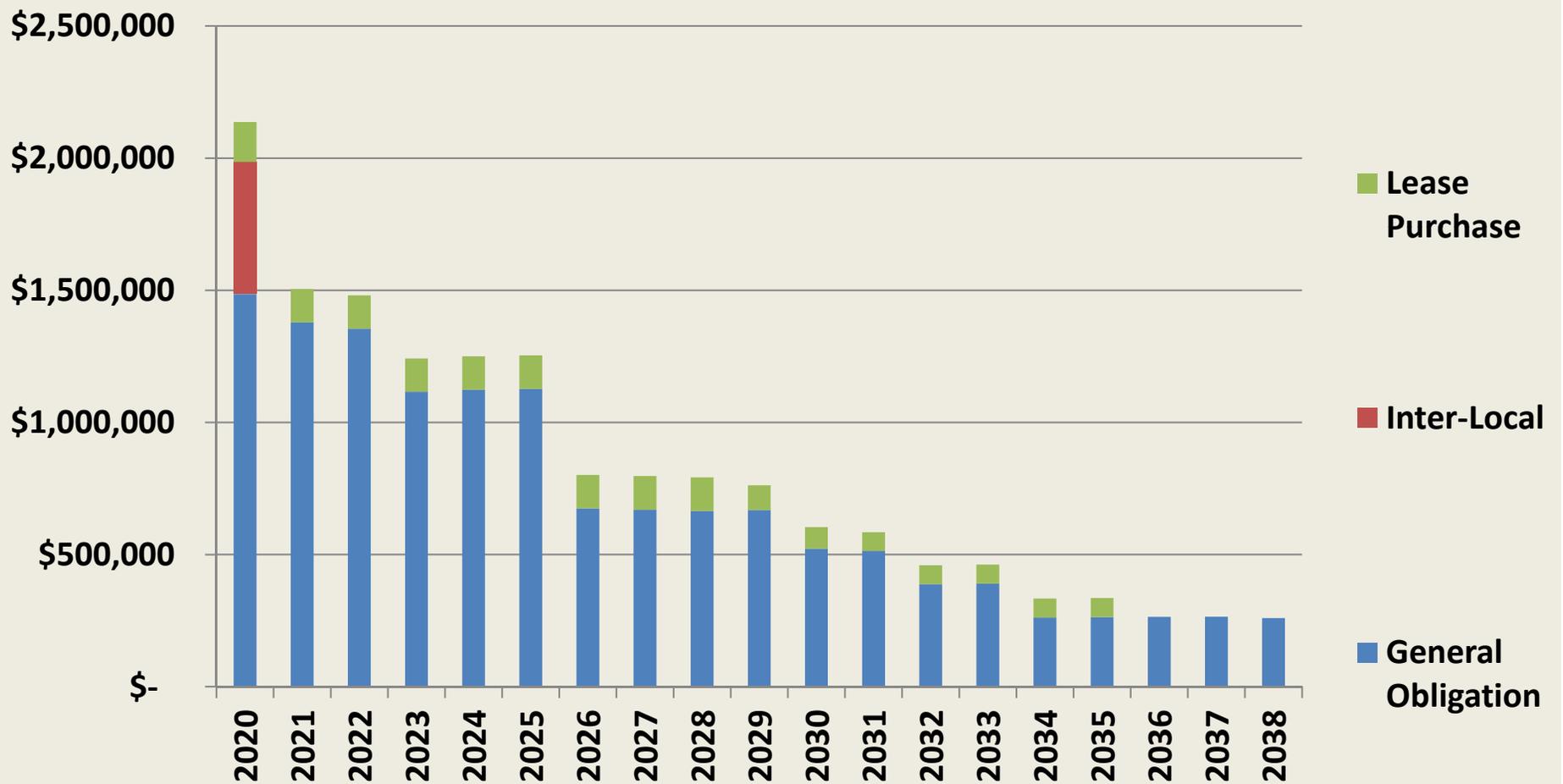
EXPENDITURE ASSUMPTIONS

DEBT STATUS - 2020

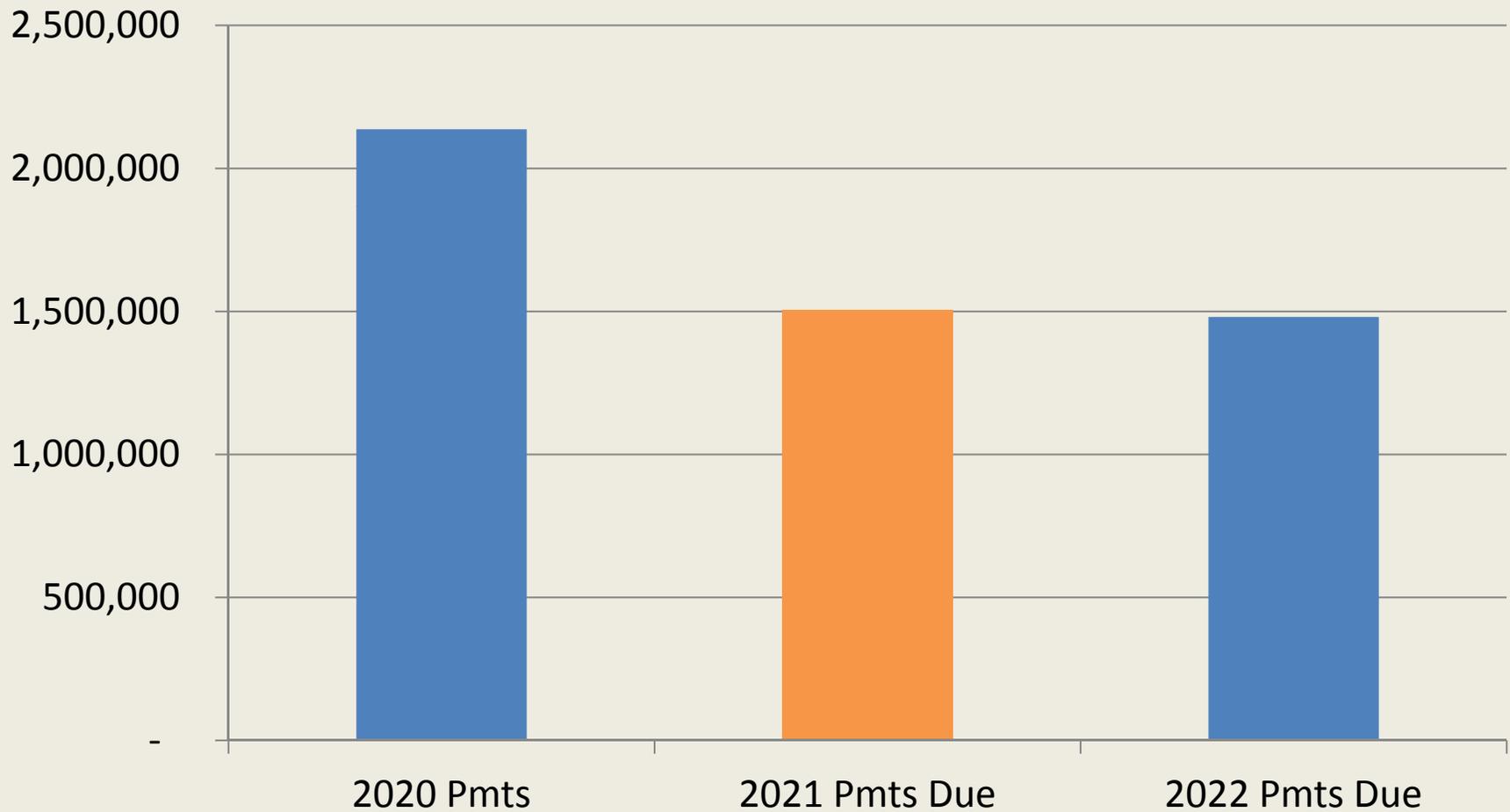
Debt Name	Date of Issue	Original Amount	Purpose	Final Maturity	Est Principal Outstanding as of 12/31/2019
2000 Downtown	12/1/2000	630,000	Downtown streetscape improvements.	9/1/2021	25,000
2010A Bridge/Streets/Fire	6/1/2010	1,075,000	Street impr, bridge impr, Fire Station improvements.	9/1/2020	255,000
2013A - Industrial Park Taxable Bond	1/29/2013	1,760,000	Refinances Acquire business park property.	7/1/2033	1,375,000
2013B - Refunding of KDHE/KDOT Loans	1/29/2013	6,355,000	Refinance utility and street improvements.	8/1/2031	4,155,000
2017A - Refinancing 2007A & 2009A	11/21/2017	1,860,000	Refinance 2007A and 2009A	9/1/2029	1,520,000
2018A - Library Construction & Acquisition	4/19/2018	3,660,000	Acquire & Construct new Public Library at 217 E 4th.	9/1/2038	3,530,000
15,340,000					10,860,000

CR 1 Improvements Repayment to LVCO	5/18/2009	1,500,000	City contribution to CR 1 Improvement Project.	11/1/2020	500,000
Ballfields (Rec Commission)	2/26/2010	672,520	Construction of Ballfields refunded by TRC.	2/1/2020	114,640
2016 City Hall/Police Station Lease Purchase	2/2/2016	1,100,000	Improvements to New City Hall 526 4th and Police Station.	9/1/2035	916,909
2018 Fire Pumper Lease Purchase	12/14/2018	300,449	2018 Pierce Saber Pumper Fire Truck	9/1/2028	271,950
2020 Street Sweeper Lease Purchase	7/1/2020	209,888	2020 Elgin Pelican Street Sweeper	2/1/2020	209,888
3,782,857					2,013,387

DEBT OBLIGATIONS – 2020-2038

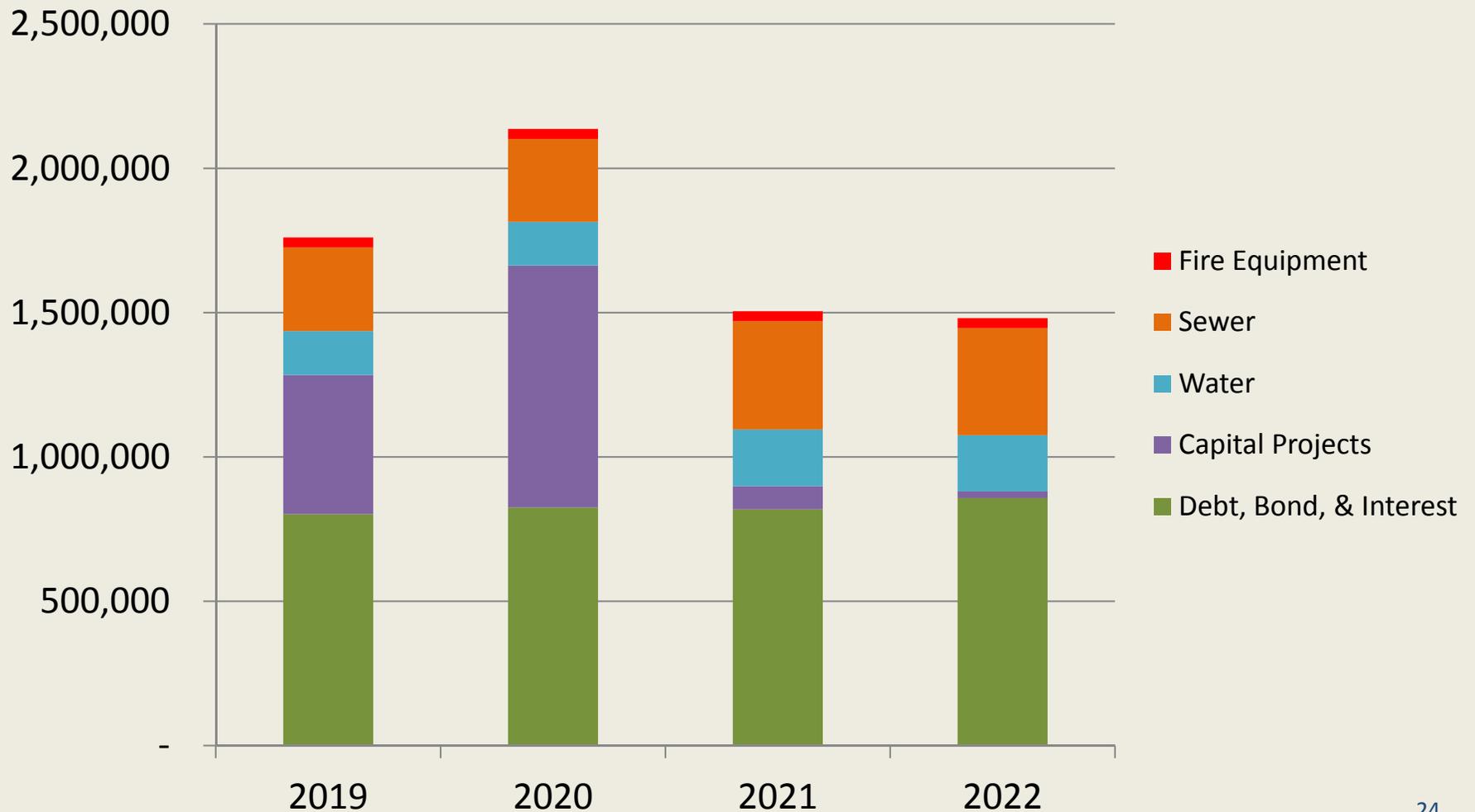


EXPENDITURE ASSUMPTIONS DEBT SERVICE - 2021

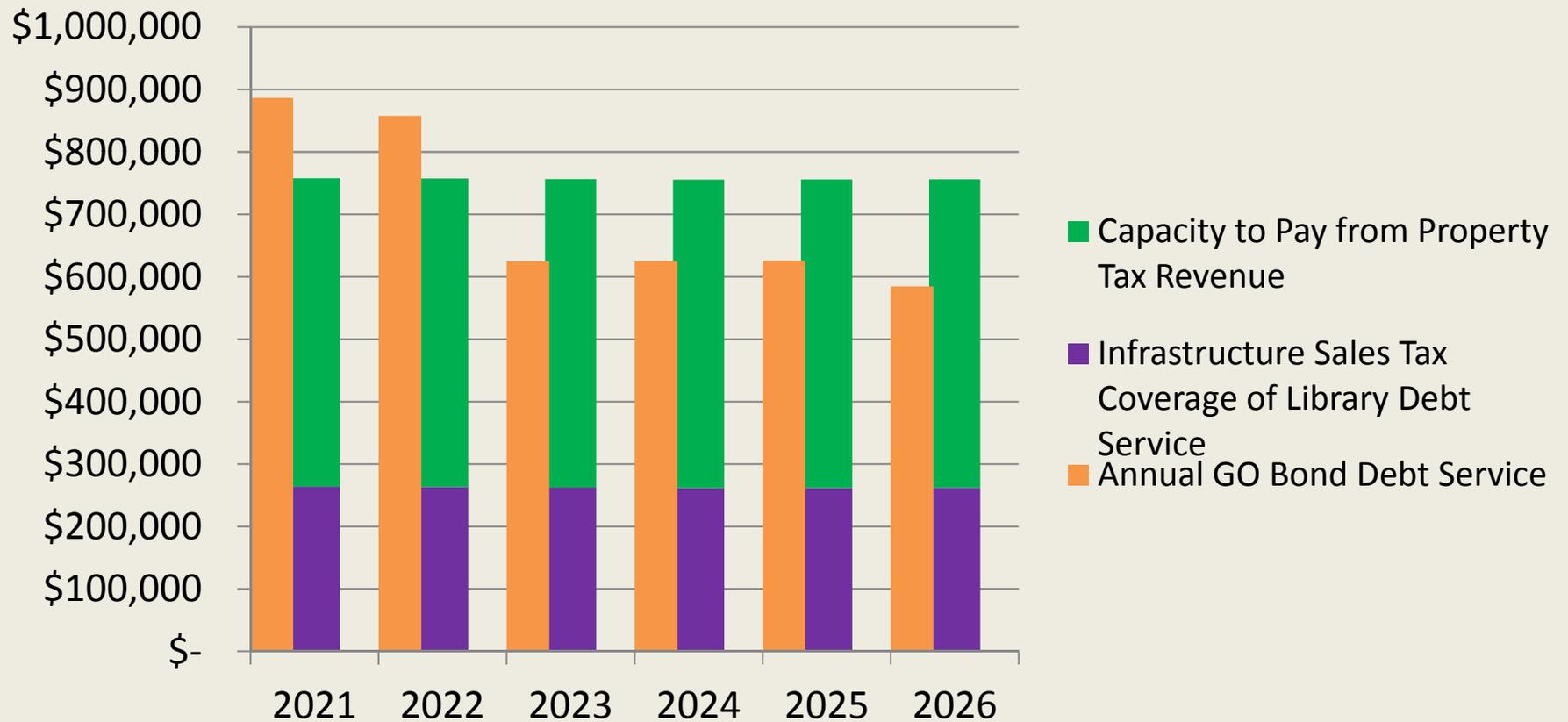


EXPENDITURE ASSUMPTIONS

DEBT SERVICE BY FUND - 2019-2022



DEBT CAPACITY



EXPENDITURE ASSUMPTIONS

DEBT SERVICE - RECENT DECISIONS

Infrastructure Sales Tax Priorities

- \$422,565 revenue est. in 2021
- \$263,900 required for Series 2018A Library Debt Service
- \$159,665 revenue remaining

Total Street Maint. Funding

2020 - \$363,500

2019 - \$351,780

2018 - \$357,100

Share of County Sales Tax Priorities

County Road 1 Repayment

- \$500,000 payment in 2020
- Completes the City's obligation

Debt Service Unable to be Paid with Property Tax

- ~\$90,000 obligation in 2021

Other Needs?

POLICY CONSIDERATIONS SUMMARY

ANTICIPATED REVENUE CAPACITY

Infrastructure Sales Tax Proceeds

\$159,665/\$422,565 available

Options for Infrastructure Sales Tax Proceeds

- construction of a new library
- paying for maintenance costs on new and existing infrastructure
- paying the debt payment on any debt issued for infrastructure projects
- paying for new capital (infrastructure) improvements

Options for Share of County Sales & Use Tax Proceeds – Capital Project Fund

- Street Repairs
- Bridge Repairs/Replacements
- Facility Improvements
- Equipment Purchases

KEY POLICY DECISIONS – MAJOR PROJECTS AND MULTI-PURPOSE REVENUES

- Capital Projects Funding
 - Debt Issuance Decisions – Interceptor Sewer
 - Locate funding picture for Bridge Replacement Project
 - 14th Street Construction Timeframe & Cost Sharing Opportunities

- Carefully consider all Community & Department Funding Requests

- Policy Considerations & Available Revenue
 - Major funds margin (revenue minus expenditures)
 - Property Management Decisions - 303 Bury – Previous Library Bldg
 - Infrastructure Sales Tax Proceeds Utilization
 - Share of the County Sales Tax Proceeds Utilization

- What is missing so far?
 - Sidewalks
 - Bridge Replacements

NEXT STEPS

- ↳ **May 4 - CMIP City Council Workshop**
- ↳ **May 18 – Motor Vehicle Revenue Report**
- ↳ **June 1 - Presentation of City Manager’s Proposed Budget**
- **June 15 - Proposed Budget Enhancements Presentation @5:00
Public Input Opportunity at regular City Council meeting @7:00**
- **July 6 - City Council Budget Workshop @5:00**
- **July 20 - City Council Budget Workshop @ 5:00 (if necessary)**