

February 9, 2022

The scheduled monthly meeting of the Chapman City Council was held Wednesday, February 9, 2022, at City Hall at 7:00 pm. Mayor Howard Battishill was present. Council members present were Christy Loy, Mary Monasmith, Tim Jury, and Rick Johnson. Also in attendance were City Administrator Mark Campbell, City Attorney John Purvis, City Clerk Bill Flanery, Officer James Reynolds, and Director of Public Works Elizabeth Berg. Councilmember Jim Bell was not present.

#2 Consent Agenda

Motion by Jury to approve the consent agenda as presented, 2nd by Johnson, vote: yes, unanimous (4-0). Motion carried.

#3 Public Comments

None

#4 Discussion to Accept Bids for the Handicap Intersection Project for 5th and Marshall

Ryan Yenni from OLSSON Engineering presented final drawings of the project to the Councilmembers. The project has already been placed out for bid and two companies have submitted bids. T&M Concrete Construction's bid was \$40,385.00 and was the lowest bid. The funding will come from the Special Street fund that was used to fund the paving of Marshall Street last year.

Motion by Jury to accept the bid from T&M Concrete Construction for the intersection project provided the project will be completed before Labor Day, 2nd by Johnson, vote: yes, unanimous (4-0). Motion carried.

#5 Renewal of Liquor License for Smokey Hill Retail Liquor

Motion by Johnson to approve the Liquor License for Smokey Hill Retail Liquor, 2nd by Monasmith, vote: yes, unanimous (4-0). Motion carried.

#6 Appointment of Mark Campbell to KMEA Board of Directors

Mark Campbell was appointed to the KMEA Board of Directors last year to finish out a one-year term. Elizabeth Berg will be up for renewal next year. Councilmember Tim Jury is listed as an alternate and would need to be appointed as well.

Motion by Jury to appoint Mark Campbell to the KMEA Board of Directors and to appoint Councilmember Tim Jury as an alternate, 2nd by Monasmith, vote: yes, unanimous (4-0). Motion carried.

#7 Ordinance 1048 – Authorization for General Obligation Bond, Series 2022, in the Amount of \$3,368,000.00 for Sewer System Improvements

This is paperwork provided by the Bond Counsel to consolidate two bonds. Consolidating the bonds will save the city approximately \$120.00 per day in interest payments. The first payment after the consolidation will be in early 2023.

Motion by Jury to approve Ordinance 1048 – Authorization for General Obligation Bond, Series 2022, in the amount of \$3,368,000.00 for sewer system improvements, 2nd by Monasmith, vote: yes, unanimous (4-0). Motion carried.

February 9, 2022

#8 Resolution 02092022 – Authorization for General Obligation Bond, Series 2022, in the Amount of \$3,368,000.00 for Sewer System Improvements

Motion by Jury to approve Resolution 02092022 – Authorization for General Obligation Bond, Series 2022, in the amount of \$3,368,000.00 for sewer system improvements, 2nd by Johnson, vote: yes, unanimous (4-0). Motion carried.

#9 Discussion on Increasing Utility Rates

The Council was provided with cost comparisons for utility rates for other cities in Kansas. Chapman's electric rate is very low compared to other cities and an increase of \$0.01 would still leave Chapman in the lower end for electrical rates. If the city increases water rates by \$0.50, Chapman would still be lower than most of our neighboring cities. Chapman currently bases the sewer rate on average water use in January, February, and March. If the city based sewer rates on actual usage through the year, the revenue may be enough to cover the cost of the consolidated bond. When there are grant opportunities, they want to see that the city has rates that are sufficient to cover costs for future projects. Electric sales create the most revenue for the city. Raising the electric rate by \$0.01 would increase revenue by roughly \$113,000.00 annually. If the rate for electricity was raised by \$0.01 and the water rate was increased by \$0.50, it would increase revenue by approximately \$150,000.00. The comparison rates are from the KMEA website. Abilene does not have their own electric facility, and their rates are from Evergy-Central. There are grants available that require the city to match a certain amount and raising utility rates may help the city qualify for some of those in the future. The payment on the consolidated bond is \$116,000.00 a year and the water and sewer fund need to generate enough revenue to cover that payment. If water and sewer rates generate enough to cover the consolidated bond, the city may do away with the sewer surcharge. Property taxes and sales tax generate revenue but a minimal amount. The main revenue for the city is from electricity sales. The last increase in electricity rates was \$0.05 in December of 2019 to assist with street improvements. In 2016, the city passed an ordinance to raise water rates by \$0.25 each year for three years and that expired in 2019. The city has not raised water rates since that ordinance. There are streets that need repairs but also need water valves replaced. The city has not had the money to replace those valves which has resulted in delaying needed street repairs. KRWA has a program where they will assist the city with a rate comparison. The process would take approximately a year to complete. The city has three funds that are known as enterprise funds. They are water, electric, and sewer. They should be paying for themselves but the revenue from water and sewer has not been enough to cover expenses and the city has been funding the majority of repairs with revenue from electric sales. If there was a major issue with the city's electric grid, the city would not have the money to fix it without emergency money from FEMA or other agencies. The council agreed to raise electric rates by \$0.015 and remove the average calculation for sewer rates. The sewer rate will be based on actual water usage. The council also agreed to increase water rates by \$0.50.

#10 Ordinance 1049 – Creating One-Way Alleyways on Marshall Street between 4th and 5th Street

Motion by Jury to approve Ordinance 1049 – Creating One-Way Alleyways on Marshall Street between 4th and 5th Street, 2nd by Johnson, vote: yes, unanimous (4-0). Motion carried.

#11 Reports

Police Department – James Reynolds

The Police Department is working on getting 800 digital radio systems. Officers are having a difficult time reaching dispatch in Abilene with the current radios. The 800 digital radio system would allow

February 9, 2022

officers to communicate with the Kansas Department of Transportation and the Kansas Highway Patrol. The city has everything ready to go and is just waiting on the user agreement from the Kansas Department of Transportation. There are numerous dead spots in Chapman that prevent communication.

City Administrator – Mark Campbell

Marc Riegel said they are moving forward with phase I of disc golf and phase two is going well with getting the school involved. Marc Riegel also wanted to conduct a disc golf tournament over St. Patrick's Day but it was recommended that the tournament be conducted during colder months so it would not interfere with normal golf at Indian Hill Golf Course. The title for the old grocery store has been transferred to the City of Chapman. The State is putting the remediation project out for bid and will match 50% of the cost. When the bids come in, the city has the option to decline the project.

Motion by Johnson to recess the council into executive session to discuss non-elected personnel pursuant to the non-elected personnel matter exception, K.S.A. 75-4319(b)(1). The executive session will include Council, Mayor, and City Attorney, 2nd by Jury, vote: yes, unanimous (4-0). Motion carried. The open meeting will resume in the city council chambers at 8:25 p.m.

The open meeting resumed at 8:25 p.m. with no action taken. All personnel present prior to the executive session were once again present.

Councilmember Jury thanked the Public Works team for their hard work with snow removal.

#12 Adjournment

Motion by Loy to adjourn, 2nd by Monasmith, vote: yes, unanimous (4-0). Motion carried.

Howard Battishill, Mayor

ATTEST:

Bill Flanery, City Clerk