

To: City Commissioners
From: Cyndra Kastens

Re: City Clerk/Administrator Report
2/4/24

CONSENT AGENDA

1. Approve Regular Meeting Minutes January 21, 2025
2. Appropriation Ordinance No 3027 \$176,076.66

This AP includes the first of several large payments to come from Solidae Tree Service. This is our every three-year utility tree trimming that we budget and save for. The work has started so you will see large invoices coming through the capital fund (34) for the next several weeks. FYI.

3. Approve 01.28.2025 Payroll \$61,557.50
4. Approve CDBG Change Order #1 for 436 S Springfield \$1,796.00

This is for additional work that was missed during the inspection. There were sufficient funds to cover the increase in scope but since contracts were signed and bids awarded, this will require a change order approval.

5. Rescind March 5, 2024 Motion to Approve 20% Match for KDOT Cost-Share Grant

As we start reviewing the end of year financials and preparing information for the auditor, this is just a formality to clear off the books. When the Commission previously approved to submit the Cost-Share application for the sidewalk on LL&G, a match commitment was also made. We can leave this on the books if you want but it would be easier to clear it off and then recommit it if and when we get to the point to submit an application. It is your call, but it will be an encumbrance if we leave it.

6. Approve January 2025 Court Report
7. Approve Investment Renewal:

Kanza CDARS 11028493076-General \$97,000-24 months

PUBLIC HEARINGS - NONE

REGULAR BUSINESS

8. Bid Opening Metal Building

This is for the kayak building. Reminder that we bid out a 24x35 building with 9' walls and 1 walk-in and two garage doors. There may be a material quality difference in the bids since we left it open to bid cheaper material as well as longer-lasting material. We will see how large the price difference is.

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9. Request to Burn Lake City Maintenance - Larry Berry

Larry is doing maintenance work along the shoreline and wants to burn the area.

10. Approval to Bid Out Rehabilitation Work on Power Plant Houses

I have mentioned in previous budget sessions that the power plant houses need work. We are the landlords to these rental properties, and they have not had any upgrades for many decades. I will bring photos to the meeting, but it is my recommendation that the city hire out a contractor to upgrade the kitchens, bathrooms, and other areas of aged rot and disrepair. I will explain at the meeting.

11. ID/Economic Development Board Public Survey - Curt Miller

Curt will be here to get your input on the survey which is attached in the packet for review. If you think anything should be removed or added please bring your thoughts to the meeting. He will also be seeking permission to put the survey in the utility bills. Not all utility customers are city customers therefore, if the commission wants it to go in the bills, then we need to either be ok with opinions from those who do not pay local taxes, or we can edit the survey to ask for Anthony residents only. You can discuss this with Curt at the meeting. They are looking for guidance.

12. Request to Waive Hall Rental Fees - Bomgaars Job Fair

Bomgaars will not be present. They asked to use the Hall to help promote the 13 jobs they plan to bring to the area by hosting a community job fair. As an economic development initiative the city could allow them to host at the Hall (since their facility is not suitable yet due to construction). They did not ask for the fees to be waived; we are discussing this as a way to support the economic endeavor. I do not have authorization to waive rental fees, so the request is in your court.

13. Wayne Dennis Fund Review

This was requested by the Commission. I sent the documents in a previous email but will attach them to the packet as well for easy access. I will have my list of review comments at the meeting.

Admin Report:

1. KCC-40101d Grant – As you are aware, President Trump has passed many Executive Orders affecting the vast amount of grant dollars and programs that have been available. We have received official “guidance” from KCC to “pause” at this time work on all IRA and IJA projects, including the 40101(d) projects. They do not yet have specific written directions from their project officers at DOE, so they are unclear what this means long-term. We had a planning meeting scheduled with KMEA to conclude a few of the project determinations. We will keep this meeting and finalize our directive planning to be ready in the event we can continue work, but we will not

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take any additional steps past that until we know the official directive from KCC once they have it.

2. Community Solar – As mentioned above the President's Orders have also required a current "Stop" on the tax credit program. It is unclear whether that will permanently stop the program. A full repeal of all the IRA incentives seems unlikely because it would still have to go through Congress, and politicians from both sides of the aisle support numerous aspects of the existing policy. So, there are some that feel the solar tax credits will not be permanently stopped. We will, however, have to watch and see.
3. EPA Water Tech Assistance – We had a planning meeting scheduled for January 28th but received word that EPA had cancelled all planning meetings pending further instruction, also due to the change in recent orders and budget directives at the federal level. More to come once they have direction as well but it does appear the engineering work we are doing to solve the water main break issue is on official pause.
4. IRA Tree Grant – Bill received word that this grant is also officially on stop. We were waiting to cut the trees on the tree board list this year because of this grant. However, since we do not know the future of this funding opportunity, the street department will go ahead and proceed on tree trimming for this year and if we get the grant after all, we will claim reimbursement on the tree trimming for next year instead.
5. CDBG Grant – We received notification from the Department of Commerce that the freezing of federal funds will also affect this grant. An immediate deadline for reimbursement requests was released January 28th and due the same day by 4:00 p.m. We have our requests for reimbursement submitted for work completed so far however, we are in the middle of construction at 311 S Lincoln. This was a large concern for a couple of days as we contemplated how we would pay the contractor and allow them to keep working because we were not going to stop work in the middle of a project with a person's house torn up. However, thankfully, within two additional days we received word the CDBG funds were being released, and we could continue construction. We are still a little nervous and hoping the contractor can finish quickly while we still have a window open to get reimbursements. Who knows how long things will last as we are in this period of freezing.
6. Grant Funds – In the few days that has followed the executive orders, some things have been frozen, then unfrozen, then frozen again, there is even a lawsuit now against President Trump stating that some of these funding sources were not able to be frozen just by executive order alone. This reminds me of the early COVID days where things are changing every day and there is a lot of information being released to read and keep up on. In your packet is a memorandum for the Executive Office of the President for reference.
7. Lake Trail – We met with the landowners on January 24th and then had a joint meeting with NRCS on February 3rd. We have started conversations with the NRCS office to coordinate the drainage correction needed for this farm ground in cooperation with the construction of the trail. What the landowner decides to do to correct the drainage at this location will impact portions of how we

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construct the trail, so it is necessary to work together in this effort. These are some of the items we are currently working on as we prepare the draft of the engineered trail plan for the commission to review. Conversations and research will continue in the next few weeks with EBH, HP CO NRCS, Landowners, and city staff.

8. Sunrise 2nd – I have had several communications with Klausmeyer Construction in the last two weeks as they prepare the preliminary lot agreements and layouts for the spec homes. I have put them in touch with local real estate agents to help gauge the market in determination of whether to construct slab on grade, basements, number of bedrooms etc.
9. Kayak Building – Bids will be opened at this meeting. As you review these requests you may or may not get bids on different “types” of buildings as there is a difference between constructing a carport type structure with sides or constructing a small metal building. Carport type with sides is generally a cheaper option with lower strength materials and longevity. Small metal buildings will have stronger materials but will be priced higher. Randy and Jacquie had quoted more of the carport type structure with sides so, even the lower price option appears to be sufficient for their uses. We wanted to see how far off the difference in pricing was, so we did not specify the cheaper material type. It is left open so the Commission will have the ability to see what kind of bids we get, the pricing with each, and then we can weigh out if there is any reason to go with a little better building. Again, the cheaper type does appear to be a very viable option so if that is the more affordable priced bid when they are opened, it is a satisfactory route.
10. CCLIP Main & Anthony – The documents are submitted to the state. I need to update my right of way certification as it is also required for this grant project. I will do that next week. After that, we will have all of our information submitted to KDOT.
11. ID/Eco Devo Board – The board held a special meeting on January 27th to finalize the draft survey. Curt Miller will be at this meeting to present the draft to the Commission and gain input or edits to take back to the ID Board for their final approval at their February 11th meeting. A copy of the survey is attached to that agenda item in the packet.
12. EOY Financials – Jamie and I have tried to start the end of year review. With limited time availability this will take a few weeks to complete but we have started. Once it is complete we will present the final 2024 Transfer List for approval. If there are no changes to this list and it only contains what was budgeted, I will put it on the consent agenda. If you would prefer I list it in regular business so it can be presented formally for discussion, please let me know.
13. Planning Commission – The PC met on January 28th to discuss violations of the Unified Development Sign Code. They will review additional information for further discussion at their next meeting.
14. Street Department 2025 Capital Planning – Bryan and I still plan to bring a recommendation back to the Commission for the 2025 plan however, our rescheduled meeting with Joel will not be until

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later this week and we need that piece of information to compile the final report. Look for this to be presented at the February 18th Commission meeting.

15. Health Insurance Annual Renewal – Jamie and I met with Blue Cross and HUB on January 30th for the presentation of the annual renewal of the current level funding insurance plan. We will have another meeting on February 7th for the presentation of a self-funded policy option. Historically we have ventured away from the risk level of self-funded policies. However, if we want to continue to provide 100% health coverage to employees, it is going to be important that we review all options. I do not want to spend a lot of time on self-funding options without the Commission's direction to do so. Therefore, I will sit in at this one meeting and then provide a summary of this option along with our regular renewal at the Commission at the next meeting. Then, if the Commission wants to pursue alternate options you can guide me to do so.
16. Water Violation Notice – The City of Anthony has received a violation notice for failure to submit our Monthly Disinfection report. The report was due on a Friday, it was emailed on Monday, but KDHE still counted it late and is requiring a notice to be sent to all water customers. The notice is quite extreme, and I have a call into KDHE to discuss this as I believe this may be confusing to customers since it makes a statement that “we cannot be sure of the quality of our drinking water”. This is a non-factual statement because we tested chlorine residuals daily and have those records. The water was completely safe, the report of the residuals was just late to the state. We will work this out, but it is my responsibility to let you know we have received a violation, and as of the date of this communication it will require a notice to customers.
17. Staffing – Callie Carpenter is performing a 30-day trial in consideration of a transfer to the Administrative Assistant of Utilities vacancy. If all goes well, the city will be hiring a Utility Billing Clerk. We have had no applications for water or mechanic. We are running ads again and will run them in surrounding rural communities as well.
18. 2025 Legislative Session – I attended the Capital Day on January 29th with KMU as they lined up meetings with with the Governor's Advisor on Water, the House Appropriations Chair, Speaker of the House, Senate President, Senate Majority Leader, Senate Utilities Chair, KCC Chair, Deputy Secretary of Commerce, and LKM representatives. The two drivers of legislation are budgets and taxes. The current budget projections have the state's budget in the red by 2029. Here are some highlight notes and a feel of the direction of the state focus:


The House is drafting a budget this year prior to the Governor presenting hers. They are, “taking back the budget” if you will. The focus is to attempt to return the budget to the way it was prior to COVID, prior to all of this money being released. They want to get the budget back into “normalcy”. The Chair of the House Appropriations said that in their understanding entities have been using this excess money for operating capital. That tells him they have been giving too much money.

An interesting point to this conversation is the Build Kansas fund. Remember this is the fund that pays the match for BIL grants. When this fund was approved, the Governor had asked for \$400 million up front for that program. Legislation gave her only \$50 million per year. Two years in

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and they are glad they limited how much they gave her because there is still \$67 million sitting in there unspent. So in 2026 they are proposing to not put more in. There is an apparatus to get more funds in 2026 if it actually gets spent and the program needs it, but for now, it's clear that there are not a lot of cities in Kansas that are tapping into these funds. The very interesting part of this is who used it. **Anthony is one of only seven cities in the entire state** that got money from Build Kansas for utility projects. That's great for us but also mind blowing that not more cities were utilizing the program. Here is a list of all seven cities and the projects/dollars awarded:



The image is a presentation slide titled "Build Kansas Fund Municipal Utility Recipients". It lists seven cities and their respective utility projects, along with the amount of Build Kansas Funding, Federal Funding Awarded, and the Total Project cost. The slide features a blue and white color scheme with a Kansas Municipal Utilities logo in the bottom left corner.

City	Project	Build Kansas Funding	Federal Funding Awarded	Total Project
City of Garden City	Underground Conductor and Transformer Replacement	\$302,590	\$626,048	\$928,638
City of Pratt	Substation Hardening	\$1,034,551	\$2,140,449	\$3,175,000
Holton Electric	Transformer and Feeder Circuit Improvements	\$796,360	\$1,647,640	\$2,444,000
City of Blue Mound	Substation, Electric Line & Pole Replacement	\$175,603	\$270,071	\$445,674
City of Anthony	Circuit Reconstruction	\$131,161	\$271,369	\$402,530
City of Horton	Substation Upgrade	\$529,494	\$1,095,506	\$1,625,000
City of Attica	Rebuild High-Voltage Feeder Line	\$143,371	\$296,629	\$440,000

We knew our time at the “flowing grant fountain” would be short lived, no more than a five-year run. But based on the President’s orders and the focus of the state’s budget, that run may end sooner than that.

The Rep from Commerce shared the focus of bringing AI Data Centers to Kansas and the economic opportunities that could bring to cities. He encouraged cities to be ready to compete for the attraction of these businesses. When they get interested companies that want to locate in Kansas they move quickly. We have to be ready to show what we can offer. The focus should be on speed (the project must be able to move fast), quality of place (sell the human aspects of your community and appeal to the quality of living we can provide), and talent. These companies need reliable power. They need access. Some need water for cooling heat exchangers but technology is advancing where that is not as critical. I don’t know about you but we have an airport for access and we have reliable power and water. We have a mid-west proud quality of living with many

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recreational amenities. We could compete. And building an AI Data Center or Aerospace Innovation Center at the airport, well, if we had staff to dedicate to this, you just never know.

There were other bills of interest dealing with the proposed elimination of the 3-Mile Extraterritorial Jurisdiction for cities, PD Cameras on Poles, several electric issues including Transmission Lines siting and costs, Eminent Domain, Net Metering, Property Tax Valuation Caps, and more. LKM will keep us posted on the status of these bills and will provide a call for testimony if any are moving in the direction of negative impact for a city.

In conclusion, as you are aware from my text message, LKM did call for testimony for HB 2152 which would potentially impact the investment rate the local banks have to offer local governments for the investment of idle funds. I have enclosed a copy of the testimony we provided to the House Committee. And yes, I typed it quickly to submit by the deadline and there is one typo. The shame. 😞 However, at least we tried to present testimony of local impact. If this bill would have passed last year, it would have cost the city between \$100,000 - \$200,000 dollars of revenue from a source other than direct impact to the tax and rate payer. The letter of testimony is in your packet.