

To: City Commissioners
From: Cyndra Kastens

Re: City Clerk/Administrator Report
3/4/25

Statewide Tornado Drill March 5th @ 10:00 a.m.

CONSENT AGENDA

1. Approve Regular Meeting Minutes February 18, 2025
2. Appropriation Ordinance No. 3209 \$528,537.60

Balance Sheet Note – The balance on the Water Debt Service Fund appears negative today because we have not done the February transfer yet. Before the month is closed that transfer will post and will correct the fund balance. It's just timing.

3. Special Appropriations

Fund #34 Street Improvements - EBH \$2,770.64 -Engineering CCLIP KA-6909-01

4. Approve 02.25.2025 Payroll \$59,308.27
5. Approve to Bid Investment of \$250,000 Wayne Dennis Principal Funds, Authorizing the Administrator to Award Most Advantageous Rate and Term, Approve Bank Resolution to Execute Investment

I would like to get this locked in asap as interest rates continue to drop and the new bill is looming to pass. Therefore, I have included all approvals in this motion to be able to bid the WD funds out and secure the investment and the best rate.

6. Approve Pay Request #12 KDOT Project No. KA-6909-01 \$2,770.64 EBH Engineering to EBH for FY25 CCLIP Main & Anthony
7. Approve February 2025 Court Report

PUBLIC HEARINGS - NONE

REGULAR BUSINESS

8. Request to Waive Municipal Hall Fees for Child Start April 24th - Marla McGovney
9. Bid Opening - East High Service Pump Rebuild
10. 2025 Street Capital Operations Plan

Bryan and I have prepared a recommendation for the plan as requested by the Commission. This is attached in the packet for prior review.

11. Ordinance # G-2875 Amending the Floodplain Management Ordinance to Adopt New Flood Map **Roll Call

See notes below.

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12. 2024 Annual Progress Report on Floodplain Management - Hazardous Mitigation Plan

This is required annually to be presented to the Commission.

13. 2025 Health Insurance Renewal

SEE NOTES BELOW before you read all of the health renewal attachments on the agenda! It may save you some reading time.

14. Municipal Hall Rental Process and Damages

See the notes below.

Admin Report:

1. Health Insurance Renewal – I had thought that I was going to provide some viable options to propose another restructuring of our current health plan. However, after we have received the quotes, it appears we are not going to be candidates for consideration. This is disappointing since the City of Harper, Harper County, and some of the nursing homes in our area are using these other services. I will explain all of this at the meeting but HEADS UP, do not take the time to really study these quotes since it does not appear we will be considering them. I still want to show them to you as I believe we will want to continue to work through these possible options through the year, in the event we can become candidates at the next renewal. But again, don't bother studying them as I will not be asking you to make a decision on them at this renewal. In addition, I do have one more quote still out. It is a large group plan through Kansas Rural Water. If I receive it prior to the meeting and it is worth reviewing, I will bring it in for your consideration. Otherwise, I will be recommending we just renew at 5.14% health and 9.6% dental.

After the renewal, we also plan to have HUB and Blue Cross come to present to the employees. This will just be a general education of the benefits they have with health insurance and how to use them as we know, copays, deductibles, plan year deadlines, etc. can be confusing. In addition, we believe there are some programs that we get with our plan that employee's may not know anything about so we would like to take the time with a rep present to go over all their benefits.

2. EPA Technical Assistance & HB 2302 – If you will recall, last fall we had two potential funding sources to pay for engineering assistance to provide a cause, solution, and OPC (opinion of probable cost) to make the needed corrections to the water main to address the continuous breaks. We applied for both because we didn't know if we would get either one and we made both entities aware that we applied for both, and they both encouraged it. As you never know what funding you will actually be approved for. As you are also aware, we later then learned that we did get the EPA TA service. I tried to contact HB2302 several times to let them know to withdraw our

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application but never could get anyone to call back. However, as you also know, EPA Assistance was frozen several weeks ago, and future funding was determined unknown at that time. Which placed that funding source on hold.

Since that occurred, we have now received word that we have been approved for the HB 2302 Technical Assistance grant. I reached out to the KWO again and let them know I really wanted to visit with someone before the Governor announces the awards and explained the possibility that we have now been approved for aid through two funding sources. They finally called back and said they completely understood and guided us to just hold off, not sign the HB 2302 agreement or do anything for a few weeks to wait and see if the EPA TA funds will un-freeze. If they do, they recommend we stay with the EPA funds as they are more difficult to obtain, and the state funds are easier to reallocate to another grant applicant.

So, I guess, good news? We got yet another grant?? But we may not be taking it if EPA funds open back up. I also made sure this does not present negatively for Anthony because remember, we are doing all of this to have the engineering OPC to be able to submit the big application to the HB 2302 Project Fund to actually pay to fix the correction on the line. So, making sure this did not damage our grant application reputation was important. They have indicated that we are still good and are very encouraged to apply for the big grant even if we decline this one.

Update: EPA TA did open back up. We had a preliminary meeting to regroup and get the project going again. During this meeting, it was discovered that there will be the need for some testing in order to complete the engineering review. Since there will be costs involved with this testing, I am going to reach back out to HB2302 and ask if we can keep the grant and use it to pay the required engineering tests. Will keep you posted.

3. KCC-40101d Grant – Still no word on funding being unfrozen.
4. Community Solar – We have not received all of the information just yet to include in the solar resolution so until I have all the data on this, I am still delaying the placement on the agenda. The gentleman that prepared the assessment is coming Thursday to obtain some additional site data which is needed for the resolution.
5. Flood Plain Mapping Update – I won the argument with KWO, and we are not updating our entire floodplain ordinance, we are just amending the mapping references. So, there will be no public hearing, and the Commission simply needs to pass the ordinance on this agenda to make the official changes and adopt the new floodplain maps. I will have a copy of the maps at the meeting if any of you would like to see them. Reminder, this has been a three-year process and we have held several public meetings, sent mailers directly to those impacted by the new flood maps, and had several periods of public review and comment so if someone was aggrieved by the map changes, they would have had multiple occasions to share that and have the draft maps reviewed and amended for that purpose. At this stage, all of those review periods and comments have completed. We are just formally adopting the final maps.

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6. BCEGS Annual ISO Impact Rating – I met with the BCEGS Rep on February 25th and started the 5-year review process. This process impacts our ISO rating, which impacts citizens insurance premiums, so we are working hard to do our best to provide all data possible to get the best rating. As I mentioned previously, I am very thankful we now have a qualified building inspector contracted for service as performing building inspections and having building codes really impacts rating numbers. We will not know the new rate for several weeks. I will report that to the Commission once it is determined. One note of interest, we are still operating on the 2018 building codes. These codes update every three years, but the updated editions only become effective if the city adopts them and that is discretionary to each city. How that relates to BCEGS is that the older your code becomes, you do lose points for those which affect that overall rating. Since ours are now becoming more outdated, we will just watch and see how much it affects the numbers. Just an FYI.
7. Lake Trail – The draft plans of the landowner's drainage has been prepared by Harper County NRCS and shared with our engineer who will now prepare some cost opinions for the trail to work cooperatively in this area. This project continues to move closer to draft engineering plans being presented to the Commission for review. We are not quite there yet but are getting closer.
8. CDBG Grant Update – Here is the status report of the CDBG approved applications thus far:
 - 208 S Springfield – File and project are complete
 - 436 S Springfield – Door Replacement scheduled for Tuesday
 - 311 S Springfield – In Progress
 - 216 S Springfield – KWAP being addressed first, CDBG not yet begunNew Projects:
 - 408 E Main-Approved and ready for inspections
 - 120 S Springfield – Approved DEMO, waiting for 3 homes to be complete

In addition, letters were mailed directly to the residents in the target area to solicit additional applications. Copies of those letters and the flyers sent with them are included in my packet report.
9. Wrecked Deweze Mower – Due to insurance and legal concerns, the city will likely need to pursue obtaining a repair estimate from another service provider other than Harper Industries. To be clear, this is not due to Harper Industries not being willing to work with the city. Exactly the opposite, they have gone over and above trying to assist the city but due to liability, attorneys, and insurance companies, it does appear the best route to protect both parties is simply for the city to seek service elsewhere on this particular repair request. We are in the process of scheduling the machine for service with the company that distributes the machine to Harper Industries. This will involve taking the machine to Wichita. Once we have a repair estimate, we can look at whether to fix the machine or replace it.

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10. BASE Grant – Harper has had a faulty installation on a culvert and therefore, we have had to extend the grant once more, so they have time to correct the installation. Due to this, and since there is additional grant money still left on the table, we are evaluating the possibility of administrative reimbursement for our time at managing the grant. This is an allowable expense. We just didn't claim it in the beginning because we needed to have as much money available to complete the project as possible. Now that there are funds left, we are possibly pursuing this reimbursement.

Also, auditing has begun for the BASE grant, so I have also been gathering information and working with HCCF's auditor to complete this required Federal Audit.

11. Kayak Building – Larry has been building the pad and after contract review and discussions, Horsch Trailer placed the official order for the building with Carolina Carports on February 26th. Now we will wait until CC contacts the city to schedule delivery dates, after they construct the building. See photos of pad:



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12. Municipal Hall – A few months back I sought Commission direction regarding the Municipal Hall fee waivers. Specifically, if the Commission wanted renters that get their rental fees waived to still pay a refundable deposit to ensure the facility is returned in original condition or utilize the deposit for repairs/cleaning. The Commission elected not to require the deposits when we waive rental fees and instead, we were directed to make sure we have the proper check off forms in place so renters will know what all they need to clean up. This is what we are doing now. However, I wanted to make the Commission aware that the gym floor was damaged the week before last between Wednesday and Friday. See photos below. The only rental use of the building during that time was Bomgaars. We did speak with Bomgaars, they do not recall doing anything that would have damaged the floor. These fees were waived so no deposit was required and therefore, we were not able to hold back any funds to help with repair costs. These gashes are deep, and it does not appear they can be buffed out. We are going to have a professional company come (the same one the school uses) to give us some repair suggestions and costs. This item is on the agenda so we can show you Melinda's hard work on the check out process with the improved forms and to allow the commission to communicate on the damage topic if you desire to.



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13. City Computers – Well of course, we have been notified by IT that as of October 2025 there will be 8 computers in the city that will no longer be supported by Windows 11. All city computers are on a replacement schedule, and we usually budget to replace two per year, not eight. I am working with Nathan to determine options to address this situation with the possibility of decreasing such a large unplanned expense. It is unknown at this time whether this will fall under my spending authority or not. If not, I will bring the proposed replacement plan in to obtain formal approval.
14. Tree Board – The Tree Board inquired a few months ago about setting up a memorial/donation fund on the city books. There are also some memorial tribute ideas the board will be bringing to the Commission to show how this memorial might work in honoring both the wishes of the donor as well as showing honor to the donor themselves. I will not steal Bill's thunder as the board will want to come present this idea. When the board first inquired, we started the process to clarify with the auditor how best to establish this fund. On the next agenda, (or when it is convenient for Bill given his recent loss) we will have this item on the agenda as well as a resolution to pass in case the Commission supports this idea and wants to move forward.
15. Golf Board – We received the annual request to pay the Golf Board insurance. The bill is in the amount of \$21,039.75. In this AP is a payment in the amount of \$10,500. This is the same amount the city paid last year and budgeted for 2025.
16. Water Violation Notice – The required KDHE notifications have been mailed to the utility customers as required by KDHE. You probably saw the notice in your new bill. The appropriate lead water test results have been mailed to the test site property owners, as was required by the 2nd KDHE violation. So, both compliance measures have been completed.
17. ID/Eco Devo Board – Since the KDHE required violation notice went in this currently utility bill, the ID/Eco Devo Board survey will be sent out next month. FYI.
18. Old Substation – The old sub south of town was decommissioned years ago. In the last few years, the power plant staff have worked to remove all the equipment with the exception of the large transformer that needed a crane for removal. Last week, with the help of Anderson Welding, the transformer was finally removed. It will be taken to Anderson Welding until the truck comes to remove the transformer. This was Larry's idea so the crane would not have to be dispatched again but the truck will go to Anderson Welding where the crane is housed and can be loaded from there. It's great to finally have this completed. Photos:

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19. USD361 Grant – The city provided a letter of support for a grant USD361 is trying to obtain that would help pay for technological upgrades that would improve student, teacher, and community member training, communication, and enhanced career readiness. A copy of the support letter is enclosed for reference.
20. 2025 Legislative Session – HB2152 (the one that impacts the investment rate for cities) passed the house. Not good news for us. We will see what happens in the senate. Another bill of interest regarding the budget and the revenue neutral rate has been introduced. Here is a message from LKM on this new bill:

LEGISLATIVE BILL NOTICE

“[HB 2396](#) relates to property tax levies and would be a change to current budget policies. The bill was introduced late last week, and placed on the calendar for a hearing this Tuesday in [House Taxation](#) at 3:30 p.m.

The League is sending this notice to keep you updated and make you aware of the bill. We would like your input on the bill as we formulate our position and speak with Legislators.

HB 2396 does the following:

- Allows citizens to file a protest petition within 30 days following the date a taxing jurisdiction certifies to the County Clerk the amount of ad valorem tax to be levied.
- A petition is only necessary if a taxing jurisdiction is:

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- Exceeding the amount of ad valorem tax equal or less than the total amount levied the preceding tax year, excluding:
 - An increase of levies not more than the amount of the annual percentage of consumer price index of urban consumers in the Midwest region.
 - Tax revenue attributable to new construction, improvement, remodeling, or renovation of any new and existing structures.
- The bill does not apply to the state or school districts.
- Creates the ASTRA Fund of \$60 million dollars annually.
 - The fund increases 2% each year.
 - Using a calculation based on population and assessed tangible valuations, any taxing entity that met the criteria not instigating a protest petition would receive money from this fund.
- It eliminates the Revenue Neutral Rate law and processes.
- If the Legislature stops funding the ASTRA Fund, the law is invalidated, and taxing entities are not bound by the provisions.

This is an effort by the House to find a solution that addresses concerns of citizens, legislators, and cities. It is not perfect, but is one of the better efforts put forth to date. We also recognize there are lots of questions.

The League has some concerns, particularly as it relates to the 10% threshold for the petition. We believe it should be higher. While 10% is traditionally the petition threshold, those petitions are often to call for an election of all voters. The petition process in HB 2396 does not create an election process to receive input from all voters but enacts an actual budget policy decision simply from a certain number of signatures from some registered voters. Because of this distinction, we believe the threshold should be higher than election petitions.

We wanted to make everyone aware of this legislation so you can provide us with feedback and make any contact with your legislators if you believe it is necessary.”

21. Winter Storm Uri Concluded – If you recall, when URI happened in February 2021, many cities were faced with a crippling utility bill. The Governor had to quickly pass a bill that allowed financing to avoid bankrupting the communities. A lot of discussion had taken place since that time to try to prevent a recurrence of suspected price gouging which also included law suits to try to reclaim some of the costs. The following is a notice from KMEA as the results of these legal actions have now officially come to a final conclusion:

“Friday, the federal district court dismissed with prejudice the five class action lawsuits relating to Winter Storm Uri on the grounds of field preemption. Field preemption, which is a type of federal preemption, exists where Congress has left no room for state regulation in an area (with the “area” in this case being the wholesale price of natural gas). The Court noted that because wholesale natural gas prices are solely regulated by FERC, and these consolidated cases attack the wholesale price of the natural gas during Uri, field preemption applies. And because federal

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field preemption applies, the state claims brought by the plaintiffs are impermissible, and as a result the Court dismissed the cases with prejudice.

The Court does a nice job of explaining the differing types of preemption, the Natural Gas Act, and the pertinent case law in reaching its decision. We've attached a copy of the Order in case you'd like to read it.

While the outcome is disappointing, it is not surprising in this instance. The idea of preemption is what we struggled with from the beginning and was ultimately the reason why we decided to not continue the costly pursuit of litigation on our own. It is unknown at this time whether there will be any appeal of the decision.

With the dismissal of both the AG cases and these class-action cases, we believe the Winter Storm Uri litigation is concluded in Kansas. Also, with this dismissal, there will be no need for additional discovery, so there is no further obligation to produce documents under the subpoenas we received in September.

Please let us know if you have any questions.”



Terri Pemberton | General Counsel