

Smith Center City Council Meeting Minutes

April 27, 2020-6:00 pm

This meeting was held via Zoom as well as in person. Individuals attending in person at City Hall were rotated in and out as to comply with the order issued by the Governor of the State of Kansas as well as the Smith County Public Health Official.

The City Council met in adjourned session with Mayor Bryce Wiehl presiding. Council members present: Don Wick, Adam Rentschler, Shawn Phelps, Tracy Kingsbury, and Chris Cole.

Others present Jamie Marshall, Anastasia Willitts and family, Hope Padilla, Brad Howland, Nancy Shaffer, Terri Jones, Jerald Ratliff, Jamie Isom, Galen Lambert, Rick Hileman, Tabitha Owen, Brady Peterson, James Tharp, Chris Linneman, and Jill Conaway.

The minutes from the March 9, 2020 were presented for approval. Owen explained that the minutes are a record of the meeting, not the changes a governing body member would prefer to have in an ordinance. After this clarification to the council, a motion was made by Phelps, seconded by Rentschler, to approve the minutes as written. Motion carried. Motion by Rentschler, seconded by Kingsbury, to approve the minutes of the April 13, 2020 meeting. Motion carried.

Economic Development

Intern-Padilla inquired on the employment of a summer intern for the department. Rentschler responded, explaining this item was tabled until there is more clarity on the present situation with COVID-19. Phelps shared his concern with the strain on the department's budget due to decreased sales tax revenue. After discussion, Mayor Wiehl asked for each member's input on filling the position later. Rentschler-aye; Cole-aye; Kingsbury-aye; Wick-aye; Phelps-nay. (4-1) Wick reiterated from the previous meeting that this position would be offered at the wage listed on the City's pay scale step one, as the Clerk's intern; should COVID-19 restrictions change.

Revolving Loan-Anastasia Willitts explained her business plan and updated request of a \$15,000 revolving loan with the option to come back to request the additional building funds subject to approval of a rent-to-own agreement with the American Legion for the building. Phelps inquired on the rent-to-own monthly payment amount, utility estimates, and the estimated revenue in the business plan. Rentschler asked about options for loan security, answered by Howland as the equipment. Wick inquired on overhead and renting salon chairs. Willitts confirmed she has two people to rent chairs in the facility. Cole asked for clarification from Padilla on the discussion at the advisory board's meeting and the collateral standing. Phelps addressed Willitts stating that while he believes in good business competition, he has a concern that there are other local businesses filling this void and generating local sales taxes, some of which the City has approved revolving loans to in a lesser percentage of the total cost; as well as the securing of the proposed loan amount. Rentschler asked Willitts if she had a co-signer for a loan. Wick addressed the other governing body members, stating that once the council nears approval on something, another contingency is added. Rentschler made a motion to approve the \$15,000 revolving loan as discussed with a co-signer, Phelps seconded. Vote 4-aye, 1-nay (Wick). Wick explained that he is not in favor of requiring a co-signer for the loan. Motion carried. Tharp asked if the city would put a lien on the building. The city will not put a lien on the building for this loan, as it would be the responsibility of the American Legion as part of their rent-to-own agreement.

Downtown Looking Up-Discussion was held on the program guidelines and costs. There are concerns on the awnings' lifespans and wear. It was decided that the program will be put on hold after this meeting, to make some changes to the guidelines and research various materials and setup. A motion was made by Phelps, seconded by Rentschler, to approve a Downtown Looking Up grant to Tribe Fitness as presented by the advisory board at \$4,481, the owner paying for customization. Motion carried.

Revolving Loan-A business plan and information from Kyle Allen was presented to the governing body. The council discussed at great length the information presented, including the requested amount of up to \$51,000; the percentage of the loan in comparison to the overall proposed cost of

start-up; and the building. A motion made by Wick to approve the loan of up to \$51,000 died for lack of a second. In reviewing the business plan, it is for Orve Properties, LLC, in which the attorneys would rent from. Rentschler shared concerns that the previous loan discussion was a 30% maximum of the total cost of start-up; whereas this proposed loan could range to well over that percentage if the full \$51,000 is loaned. Phelps agreed with Rentschler, and stated concern on a larger loan while taking a second position on the building for security. Wick stated, and confirmed by Owen, that the company is in business out of state and is relocating the office to Smith Center. This business already has clients that will remain with the business regardless of the location; instead of a new business beginning where clients will need to be added, with the opinion of this being a lessor risk. Howland reminded the council that the advisory board works diligently to assure the information and proposals that come to the council have been thoroughly evaluated prior to presentation to council for approval. Rentschler voiced concerns on current loans that were set up with equipment only as collateral and are now in arrears; and would prefer to have additional collateral on future loans. Wick stated his belief that there always is a risk, however without it, there may not be gain. Many loan applications are quite different and cannot be considered completely comparable. A motion was made by Wick, seconded by Kingsbury, to approve the loan for up to \$51,000. Motion carried with Phelps abstaining.

Downtown Looking Up-Discussion returned to the awning program. Kyle Allen applied for two awnings, one for the front of the building, one for the side entrance. A motion was made by Rentschler, seconded by Kingsbury, to approve the front awning less the customization cost and half of the cost of the side entrance awning; total of \$4,418.50. Motion carried.

General-Wick asked Padilla if applicants of the Revolving Loan program are given the guidelines prior to completing the application. Cole voiced concerns with the funding of loans however expressed he is thankful for the advisory board and the process they complete prior to the information coming to council; there are times however that the council has questions for clarification purposes. Rentschler stated that the City needs to get more aggressive on outstanding loans in which Phelps responded that he was told of some individuals that are using their Cares Act payments towards their outstanding balances. Padilla was instructed to visit with each of the delinquent loan holders.

One-way Street

Chris Linneman was present to inquire on the possibility of changing the street at the 800 block of East Third from a one-way street to a two-way street. Mayor Wiehl explained that in 2007, the council made the change Linneman is suggesting. Within the first month and continuing over the next few months (as noted in council meeting minutes), the city received complaints on the two-way traffic. The school requested travel be reverted to one-way, in which the city made official in 2007. With the Jr./Sr. High School at the east intersection, discussion of concerns of two-way traffic at that block were shared as the flow of traffic to and from the school's circle drive, school bus traffic, and the congestion. There is an alleyway behind the residences that has been restricted for safety purposes to only allow traffic for those that reside on that block for additional access, as well as eliminate traffic from students leaving the school and using the alleyway as a shortcut. The option of sending letters to the property owners in that area was talked about. It was the consensus of the council to continue with one-way traffic on this block.

Swimming Pool

The plans sent by Lamp Rynearson for the swimming pool were available for review. Some discussion was held on the length of the proposed pool in comparison to regulations for swim meets, should the situation ever arise. This discussion resulted in a decision to keep the dimensions as submitted and drawn on the plans as the design best fits our community and is the most efficient. A motion was made by Kingsbury, seconded by Wick, to approve the plans as presented. Motion carried. A motion was made by Wick, seconded by Kingsbury, to instruct Lamp Rynearson to begin the bid process. Motion carried.

Library Board

As recommended, a motion was made by Cole, seconded by Rentschler, to make the following changes on the Library Board: appointment of Kathy Yenne to replace Lynda Devlin; Shelli Younger to replace Cherie Herredsberg; and Judy Burgess to complete the unexpired term of Karen Tuxhorn. Motion carried.

Airport

Jones presented information on a new land lease, to replace a former lease with Ag Care by Air, at the airport. The agreement will be updated and brought to the council for approval. Also reported by Jones, APAC requested to delay construction on the airport project; as well as submittal of an application for CARES funding to supplement operating expenses.

Loan Payments

Due to COVID-19, a motion was made by Wick and seconded by Phelps to defer revolving loan payments for April and May. Motion carried.

Reports

Hileman updated the council on the wellhouse rebuild.

Conaway reported on a phone conference recently held with KDOT to review three CCLIP applications for 2021 and 2022.

Owen addressed the council regarding a complaint received on a council member, stating conflict of interest. Owen reported conferring with a colleague on the issue, as well as alerting the governing body that should they believe there to be an issue at any time, it is the decision of the governing body as to what action to take moving forward. In this instance, it is believed that the council member understood the potential conflict and was able to remain out of the situation.

Phelps asked about grass being discharged in roadways. Owen is working on a suggested ordinance for the council's review at the next meeting.

Rentschler and Phelps inquired about the possibility of all city personnel being deemed nuisance inspection officers. Owen explained that should there ever be a legal hearing or condemnation process and associated hearing, having one person designated as the nuisance inspection officer is the best course of action. This allows for continuity as well as accountability. As nuisances are alerted via written complaint, the inspection officer is able to go to the property and inspect the proposed complaint and many times documents with pictures, any probable violations that are confirmed if need be by the language in the ordinance. By following this protocol, a property owner that is notified of a nuisance is aware that they are in violation as stated in the letter that is sent, not due to matter of opinion of a neighbor or passerby. Phelps informed the council that he checked with a community in Nebraska that employs an inspection officer that is not local, paid from their economic development funds. Hileman, Jones, and Conaway spoke about the enforcement issues previously experienced.

With the swimming pool project as well as COVID-19, the council talked about if the swimming pool would be able to open for the season. At this time, it is unknown, however could be unlikely unless there are applicants to fill the lifeguard positions.

After discussion, a motion was made by Kingsbury, seconded by Phelps, to approve employment of Trace Haven to assist at the golf course, in accordance with the pay scale on file. Motion carried.

Concerns and uncertainty of municipal funds in response to COVID-19 were discussed. As the budget is prepared, all known impacts will be considered, as well as the usual uncertainties the city faces each budget year.

City employees will return to the regular schedule as of May 4th; however, the city offices and Srader building will remain closed to the public. All communication with residents as well as others will continue to be done via phone, email, mail, and utilization of the drop box installed in the east alley. Clarification was made on on-call and emergency time.

Motion by Rentschler, seconded by Phelps, to adjourn. Motion carried. Meeting adjourned at 8:11pm.

Attest:

Jill Conaway, City Clerk