

**City Council Work Session
City of Larned
October 18, 2021
6:30 PM**

1. Call to Order
2. Discussion and Input
 - a. Electric Distribution
 - b. Improvements to the Swimming Pool
 - c. Recycling
 - d. Larned Fire Station
 - e. Prairie Vista
 - f. Water Perfection
 - g. Wastewater Building
 - h. Winter Natural Gas Prices
3. Adjournment

Electric Distribution

In August, the City Council signed a 6-month contract with Midwest Energy. As our primary firm energy provider, the City of Larned is a customer of Midwest Energy (MWE) through a long-term purchase power contract where Midwest sells the City firm power at a set cost and has the ability to purchase electricity from the City's generators as required.

Multiple combinations of resources and service level scenarios were considered prior to signing a service contract with MWE; however, it was felt that the safest (for the customers and workers) and most effective plan is to have one entity perform electrical distribution services. Midwest Energy has both the capacity and ability to fill this void. In addition, Midwest Energy made sense for a number of reasons:

- A MWE employee resides in Larned and is a former City employee. He is familiar with our electric system, the community, and our customers. He too is a customer.
- MWE has the resource capacity to take care of all levels of our customer's and system's needs.
- We have an established long-term productive and mutually beneficial relationship with MWE.
- We could immediately establish a system to take care of our customers.
- Together, we share a commitment to providing quality and reliable electricity to our citizens.

The contract (enclosed) is for a six-month period, but either party can terminate the contract with a 30-day notice. It clarified the services for MWE crews to perform. The services are bill at MWE's cost, plus a 10% administrative fee. Representatives of Midwest Energy will be at the meeting to answer any questions of the City Council on potential pathways of collaboration for the future.

Improvements to the Swimming Pool

The first phase of improvements to the Swimming Pool addressed concerns of safety issues, including the circulatory and filtration system, replacing piping and reconstructing the pool deck, installing new lighting, and other work. This off-season's work is focusing on repairing and sealing seams in the pool, fixing more leaky pipes and the faulty valve in the drain pipe, addressing the kiddie pool area, and exploring shading and amenities for the pool deck. The Mayor has arranged for representatives of Power Play to be at the meeting. From www.power-play.net

Power Play is a recognized leader in Splashpads®, Spray Parks and Aquatic Play solutions with highly trained and knowledgeable personnel. Understanding our customer's objectives is what truly sets Power Play apart. From consultation and site evaluation, through design services, installation, training and long-term customer care, our team of experts will work with you to ensure your complete satisfaction and successful project.

City Staff will also be at the meeting to discuss the above projects further and answer any questions.

Recycling

Larned has been struggling to define its role in recycling for some time. In September, the Council received a presentation from Jon Prescott, Sunflower Diversified, on the new fee structure they are implementing.

In 2015, the City of Larned turned over its recycling activities to Sunflower Diversified, based on the terms described in the enclosed letter. Over the past few years, there have been issues at the Center, primarily with recyclers leaving trash in the bins or outside the bins when they are full, and recycling and/or trash blowing throughout the area. Over the last year, in large part due to the increase in volume of recycling, we have had a number of complaints about the mess.

During this time, Sunflower has been picking up at the Center on a daily basis, but has not been able to keep up with the volume, resulting in the bins overflowing on a regular basis.

The City Manager and staff have met with Sunflower and they have tried to do a good job of addressing problems, based on what they could control. They mentioned on a number of occasions that the cost of collecting and processing recycling has increased dramatically over the last couple of years. They have continually suggested that the City needs to find a building where inside recycling/trash streams could be monitored and controlled. Unfortunately, there is not an available building nor the personnel to staff it.

Recycling activities are part of Sunflower's mission of providing employment and benefits for persons with developmental delays or disabilities. These recycling efforts are also an important component of the Barton County Solid Waste Management Plan.

In 2013, recycling resulted in over 440,000 pounds of material not being sent to the landfill. The Larned Recycling Center is located just south of the City's Sanitation Facility. It is an unstaffed self-serve recycling operation with bins and cages designed for specific recyclables. The City helps to clean up and maintain the Center, but Sunflower operates and is responsible for recycling activities.

Sunflower Diversified has proposed implementing new fees to the City to collect the recycling material and imposing penalties for trash that is intertwined with the recycling. The new fees are listed below:

1. We will pick up twice a week with a charge of \$500.00 a month.
2. Recycling must be sorted and no trash. If the containers have trash, there will be a \$50.00 surcharge assessed to the city each time for trash sorting.
3. If the volume at the Recycling drop off requires a special pickup besides the twice a week scheduled pick-up, a \$75.00 pick-up fee for each trip will be charged.

According to Sunflower, they are implementing these new fees throughout their system to commercial businesses based on the number of pick-ups, similar in nature to what they have proposed to the City. Representatives of Sunflower Diversified will be at the Council Work Session.

According to Sunflower, total pounds of material kept from the landfill from Larned:

	2020	2021
January	30,920	32,481
February	30,920	26,360
March	30,540	41,640
April	29,800	35,320
May	33,000	31,758
June	34,300	35,180
July	39,700	
August	31,520	
September	34,200	
October	32,260	
November	29,300	
December	<u>33,666</u>	<u> </u>
Total	390,126	202,739

Staff has tried unsuccessfully to find information on its previous cost us to recycle. There are many variables to consider, including personnel, equipment, vehicles, and fuel to recycle cardboard, tin cans, aluminum cans, books, plastic, and more. It is my understanding that we were open to the public three days a week, including Saturdays, which required two employees working overtime. We had to run two different routes to make sure we could return in time to open the Recycling Center in the afternoons, so there was added fuel cost as well.

Total pounds of material recycled by the City in 2016:

Item	Pounds
Glass	9,300
Cardboard	29,535
Newspaper	31,565
Magazines	22,500
Plastic	7,360
Mixed Paper	13,390
Tin Cans	10,420
Books	2,525
Aluminum	<u>1,619</u>
Total	132,374

Larned Fire Station

The Council has made significant investments in firefighting facilities, equipment, and vehicles over the last few years, the latest being an increase in compensation for firefighters. A near-future budget discussion will include the acquisition of a new pumper truck. It likely will not be able to fit into the existing Fire Station. This is not an anomaly. As needed upgrades are made to the Firefighting fleet, the size of the vehicles is getting larger and resulting in the bay doors at the Fire Station becoming more difficult to pass through, as well as complicating parking in and maneuvering within the Station. At the same time, there has been some interest in purchasing the City's Fire Station.

Several communities have built new fire stations in recent years, including: Colby (pop. 5,464), Goddard (pop. 4,934), Baldwin city (pop.4,752), Louisburg (pop.4,662), Wamego (pop. 4,658), Osawatomie (pop. 4,308), Rose Hill (pop. 3,968), Lyons (pop. 3,532), Beloit (pop. 3,469), and Basehor (pop. 5,951). Enclosed are pictures and some basic information on each of these projects.

There are a few financing options available to the Fire Department.

Community Development Block Grant program

One option is the Community Development Block Grant program (CDBG) - Community Facilities and Services Grant: Buildings - Fire Stations with a maximum award of \$600,000 (for populations less than 5,000). Applications are accepted annually in the Fall. There are limited funds in this competitive grant program and the City would need to retain its majority low-to-moderate income (LMI) status. The LMI status would also have to be retained in the townships served by the Department.

USDA Rural Development Community Facilities program

Another is the USDA Rural Development Community Facilities program which provides affordable funding to develop essential community facilities in rural areas. These community facilities include public

safety services such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment through:

- 1) Low interest direct loans,
- 2) Grants,
- 3) A loan guarantee program, or
- 4) A combination loan and grant.

Priority for these competitive programs is given to small communities with a population of 5,500 or less and low-income communities having a median household income below 80% of the state nonmetropolitan median household income. As that targeted income range lands, the percentage of grant assistance also adjusts. The Community Facilities program has limited funds available statewide. Similar to the CDBG program, the income threshold would be determined by that of Larned and the Fire Townships. Enclosed is more on the USDA Rural Development Community Facilities program.

USDA Rural Development Community Facilities program

Direct Loan:

- Loan repayment terms may not be longer than the useful life of the facility, state statutes, the applicant's authority, or a maximum of 40 years, whichever is less
- Interest rates are set by Rural Development, contact us for details and current rates
- Once the loan is approved, the interest rate is fixed for the entire term of the loan, and is determined by the median household income of the service area and population of the community
- There are no pre-payment penalties
- Contact us for details and current interest rates applicable for your project

Grant Approval:

1. Applicant must be eligible for grant assistance, which is provided on a graduated scale with smaller communities with the lowest median household income being eligible for projects with a higher proportion of grant funds. Grant assistance is limited to the following percentages of eligible project costs:
Maximum of 75 percent when the proposed project is:
 - Located in a rural community having a population of 5,000 or fewer; and
 - The median household income of the proposed service area is below the higher of the poverty line or 60 percent of the State nonmetropolitan median household income.
2. Maximum of 55 percent when the proposed project is:
 - Located in a rural community having a population of 12,000 or fewer; and

- The median household income of the proposed service area is below the higher of the poverty line or 70 percent of the State nonmetropolitan median household income.
3. Maximum of 35 percent when the proposed project is:
- Located in a rural community having a population of 20,000 or fewer; and
 - The median household income of the proposed service area is below the higher of the poverty line or 80 percent of the State nonmetropolitan median household income.
4. Maximum of 15 percent when the proposed project is:
- Located in a rural community having a population of 20,000 or fewer; and
 - The median household income of the proposed service area is below the higher of the poverty line or 90 percent of the State nonmetropolitan median household income. The proposed project must meet both percentage criteria. Grants are further limited.
 - Grant funds must be available

Are there additional requirements?

- Applicants must have legal authority to borrow money, obtain security, repay loans, construct, operate, and maintain the proposed facilities
- Applicants must be unable to finance the project from their own resources and/or through commercial credit at reasonable rates and terms
- Facilities must serve rural area where they are/will be located
- Project must demonstrate substantial community support
- Environmental review must be completed/acceptable

Prairie Vista Duplexes

Earlier this year, the Council approved the Refunding of the 2013 General Obligation (GO) Bonds that we used to finance Prairie Vista Duplexes. By working with Clayton Kelley, Piper Sandler, the City was able to save around \$50,000 in interest costs.

During these meetings and the 2022 Budget work session, the Council discussed the future of the complex and the possibility of selling it. A spreadsheet on the revenues and expenditures will be distributed to the Council at the meeting.

Water Rights Perfection

In January 2109, the City came to an end of its 40-year period to secure water rights. The City with the assistance of Schwab-Eaton, applied for and received a five-year extension of our current rights. At this time, Larned has:

- The ability to use up to 602 million gallons of water annually
- The most that we have used in the last 40 years is 440 million gallons (1980).
- In the last five years our usage has ranged from 338 million gallons (2013) to 296 million (2016) with an average of 318 million (2013-2017).
- By securing water rights at this time, we could “perfect” the 1980 level of 440 million gallons. This is close to 40% more than our last five-year average.

The perfection extension was based on the possibility of following factors:

- Growth at the Correctional Facility or the State Hospital;
- Large commercial usage thru business recruitment or retention;
- Use of a significant amount of reserve capacity in any given dry/drought year.

The Mayor, City Manager, and Will Tice met with the Kansas Water office in Stafford recently that shed some light to new information on this.

Wastewater Building

Remarkable things have happened at the Water Recycling Center since Dale Vanderhoof took over as Operator. The result is effluent water put into the river is safe enough to drink and we are continually moving in the right direction; however, we still have challenges to address. One of these challenges is dealing with the sludge created in the processing of the wastewater.

Dale has created a PowerPoint that he will talk about sludge and storage. In addition, I have included good and easy to read information on sludge, bio-solids, and what to do with it, from Penn State University.

Winter Natural Gas Concerns

Councilman Barnes would like to discuss concerns for our citizens due to high natural gas prices for this upcoming winter. Enclosed is some information on this matter.