



MINUTES
CITY COUNCIL MEETING
COUNCIL CHAMBERS - HUTCHINSON, KANSAS
April 21, 2020
9:00 a.m.

1. The Governing Body of the City of Hutchinson, Kansas met in regular session at 9:00 a.m. on Tuesday, April 21, 2020 in the City Council Chambers with Mayor Piros de Carvalho presiding. Councilmembers Daveline, Soldner, Garza and Bagwell were present.

2. The Pledge of Allegiance to the flag was recited.

3. The prayer was given by Paul Brown, City Attorney.

4. Proclamations

a. Arbor Day

5. Petitions, Remonstrances, and Communications

a. Oral communications from the audience. (Please limit your remarks to five (5) minutes and to items NOT on the agenda.)

There were no oral communications.

6. Consent Agenda

a. Approval of Minutes of April 7, 2020 City Council meeting.

b. Approval of March, 2020 financial reports.

c. Approval of appropriation ordinance in the amount of \$1,556,178.84.

Motion by Councilmember Soldner, second by Councilmember Garza, to approve the Consent Agenda; and authorize the Mayor to sign. The motion passed unanimously.

7. Ordinances and Resolutions

a. Consider Ordinance authorizing bond sale. Angela Richard, Finance Director, said there were ten total bids, with UMB being the low bid at 1.889%. Discussion ensued regarding debt ratios, the ability to repay bonds, etc.

Motion by Councilmember Daveline, second by Councilmember Garza, to approve Ordinance 2020 - 19 authorizing the issuance and delivery of \$3,740,000.00 principal amount of General Obligation Bonds, Series 2020-A, of the City of Hutchinson, Kansas; and providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on the bonds as they become due; and authorize the Mayor to sign. The motion passed unanimously.

b. Consider Resolution authorizing bond sale. Angela Richard, Finance Director, said bond counsel and the financial advisor have reviewed the documents; and recommend approval.

Motion by Councilmember Soldner, second by Councilmember Bagwell, to approve Resolution 2020 R 8 prescribing the form and details of and authorizing the delivery of \$3,740,000.00 principal amount of General Obligation Bonds, Series 2020-A, of the City of Hutchinson, Kansas, previously authorized by an Ordinance of the City; and authorize the Mayor to sign. The motion passed unanimously.

8. Report of City Officials

a. Council

- Councilmember Soldner told everyone to stay safe.
- Councilmember Daveline had no comments.
- Councilmember Garza had no comments.
- Councilmember Bagwell asked about code violations and how they are being handled. Mr. Deardoff said timelines have been pushed out; and the only issue we are currently focusing on is tall grass complaints. He said we are not taking people to court right now for violations; and the City will work with them.
- Mayor Piros de Carvalho said the City is not governed by the KCC regarding utility cutoffs, but the decision was made that we would also suspend cutoffs. She asked if we knew what the full impact of that would be. Mr. Deardoff said the City is not cutting anyone off following the Governor's executive order; and said we saw a 78% increase in the shut off list. Mr. Deardoff said we will be flexible in working with customers in the coming months by waiving late fees, etc. Councilmember Bagwell asked what the strategy is going forward. Mayor Piros de Carvalho said she and Mr. Deardoff had discussed this; and they want to encourage people not to let the bills get too far out of hand; and would like them to be paid by the end of the year. Mr. Deardoff said they will continue to do payment agreements; and will extend the timeline on those agreements.

Angela Richard, Finance Director, said she and Rebekah Keasling, Director of Public Information, are working on ways to get the information out. She said there will be a press release done; and said they are working on a map so that individuals living in a certain area would come in to pay or sign a payment agreement by an agreed upon date so they would know what was expected of them. Ms. Richard said they are still using the notification system that is in place to let customers know they are past due. Additional discussion ensued.

Mayor Piros de Carvalho said she and Mr. Deardoff were on a call with Senator Moran wherein they spoke about local needs. She said there was a lot of focus on health care providers; and said guidelines for reopening are contingent on testing, seeing a decrease in COVID-19 cases, etc. The Mayor said Senator Moran knows we are last in the nation with regard to testing; and said the Governor is working on a plan to create swabs, etc. She said they also discussed with the Senator the anticipated large drop in sales tax revenue and other revenue streams; and asked if there will be any assistance coming for cities from the federal government. The Mayor said Senator Moran didn't indicate any assistance would be forthcoming, but she said they will continue to push our delegates. The Mayor said unlike the federal government, we can't just print off extra money. She also said a task force is being convened by Reno County and the Reno County Health Department to address the best ways to reopen the economy.

b. City Manager

- 2020 budget discussion

Mr. Deardoff said sales tax makes up 35% of general fund revenue, but we will not be seeing the impact from COVID-19 until the end of May or June. He said the City is looking at cost reductions which will take place in three phases. Mr. Deardoff said the first phase would be the reduction of seasonal and part-time employees, as well as a hiring freeze. He said this will save the City approximately \$613,000.00; and has already gone into effect.

Mr. Deardoff said Phase II will go into effect April 26 and includes travel restrictions, a reduction in Police overtime, etc. He said police savings alone will amount to about \$250,000.00. Total projected savings for Phase I and II will total approximately \$968,000.00. He said the projected loss for the year is \$1.3 million. Mr. Deardoff said the goal of the fund balance is to be solid; and to prepare for things like this. He said it is okay to use some of the fund balance, but decisions will need to come at the end of May and June when we truly see the impact. Mr. Deardoff said Phase III would involve possible furloughs, layoffs, etc. He said he is not recommending we go into Phase III until we know the

impact. Mr. Deardoff said Phases I and II don't have a large impact on full time employees, but said some supervisors are now out on a mower because seasonal employees were not hired.

Mr. Deardoff said his hat is off to Chief Hooper who looked at police overtime; and found ways to reduce those costs. He said this needed to be addressed a long time ago; and said we can probably save more on overtime with the new format. Mr. Deardoff also said he heard that grocery sales have increased 69%, so it will be interesting to see the real impact. He said big ticket items such as car sales will see a drop. Mayor Piros de Carvalho asked him if he is looking at a specific benchmark with regard to implementing Phase III. Mr. Deardoff said we may not have to look at it at all; and said he doesn't want to jump in and disrupt lives. Additional discussion ensued regarding departmental budgets, deferrals of capital improvement projects, reductions to contractual agreements, etc.

Chief Hooper talked about the current system, saying there is no overlap of the squads; and many times officers have to work overtime to complete reports, finish a call, etc. He said by creating a system where there is an overlap of shifts, overtime will be reduced. Chief Hooper indicated he believes they will be able to save over \$250,000.00 a year in overtime costs. Additional discussion ensued regarding fatigue, sick leave, officer shortages, etc.

- Utility billing update

Mr. Deardoff said utilities were addressed earlier.

Mayor Piros de Carvalho thanked Mr. Deardoff for his leadership and for being proactive, saying he could have just coasted. Mr. Deardoff said this is a retirement he will always remember. He said he has had a lot of help to work through all of this; and thanked City staff.

9. Adjournment

Motion by Councilmember Soldner, second by Councilmember Garza, to adjourn. The motion passed unanimously.

Upcoming Meetings

May 5, 2020

9:00 a.m.

City Council meeting

May 19, 2020

9:00 a.m.

City Council meeting