

CALL TO ORDER – PLEDGE OF ALLEGIANCE

Mayor Jacob LaRue presided and called the meeting to order at 6:30 p.m., the Pledge of Allegiance was recited.

Commissioners Present: Mayor Jacob LaRue and Commissioners Kevin Berthot, Sam Budreau, Phillip Chaney, and Tim Fairchild.

Staff Present: Jeff Cantrell, City Manager; David Brake, City Attorney; Tina Bailey, City Clerk; Ryan Follmer, Assistant City Manager; Cory Kepley, Chief Finance Officer; and Todd Newman, Cemetery and Parks Director.

INVOCATION

The invocation was given by Commissioner Sam Budreau.

AGENDA

The Agenda was approved on motion by Commissioner Berthot, seconded by Commissioner Budreau. Voting Aye: All. Motion carried unanimously.

CONSENT AGENDA

The Consent Agenda is used to approve non-controversial or routine matters by a single motion and vote. The Consent Agenda consisted of the following:

- Minutes – City Commission – April 27, 2020
- Warrant Register dated April 29, 2020
- Warrant Register dated May 6, 2020

Motion made by Commissioner Fairchild, seconded by Commissioner Berthot, to approve the Consent Agenda. Voting Aye: All. Motion carried unanimously.

PUBLIC COMMENTS

Larry Pierce, Fourth of July Committee representative distributed handouts for review and provided a brief overview of the 2020 Fourth of July celebration and fundraising activities. He requested that the City Commission consider an additional donation of \$5,000 to sponsor a concert during the 2020 Fourth of July weekend activities.

General discussion was made.

Commission consensus was to place the request for an additional \$5,000 from the Tourism Fund in order to sponsor a concert during the 2020 Fourth of July weekend activities on the next Agenda for further review and consideration.

Matt Godinez, CRDA Executive Director provided a brief overview of a Kansas Department of Commerce CDBG-CV Grant and potential funds available to Cities and Counties. Awarded grant funds could provide assistance to businesses during COVID-19.

General discussion was made.

Commission consensus was for City staff to work with SEKRPC and CRDA and move forward with making application for the Kansas Department of Commerce CDBG-CV Grant. The grant application will be brought back to the City Commission for final review and approval.

CITY MANAGER'S REPORT

City Manager Jeff Cantrell gave his report on City activities and operations.

City Manager Cantrell requested that the City Commission consider allowing him to purchase his City cell phone and tablet.

Commission consensus was to allow City Manager Cantrell to purchase his City cell phone in the amount of \$50 and City tablet in the amount of \$100.

OLD BUSINESS

POWER/ENERGY MANAGEMENT SERVICE AGREEMENT

At the last meeting of the governing body, the City received a proposal for a Power/Energy Management Service Agreement from Scott Shreve of Priority Power Management. In response, it was requested that City staff provide a comparative review of what other municipalities pay for similar services.

City staff reported that an analysis of (13) other cities revealed pricing that exceeds \$2.

Priority Power Management's proposal includes key account work and gas marketing with the City's large industrial customers that is not typically provided under the comparative firms pricing. Notably, this same work is not expressly defined under the current agreement with PPM. City staff recommends that if the contract is successfully renegotiated, this language should be further developed to include these services.

In response to the Commissions concerns, Priority Power Management is offering a revised rate that is lower than what was initially presented at the last City Commission meeting.

General discussion was made. Comments were made by City Manager Jeff Cantrell and City Attorney David Brake.

Commission consensus was for City staff to continue negotiations with Priority Power Management.

PUBLIC SWIMMING POOL

Many cities in the area have announced summer closure of their swimming pools due to operational limitations and distancing concerns. City staff received inquiry and support from three commissioners for this item to be added to the Agenda for formal consideration.

General discussion was made. Comments were made by Parks Director Todd Newman and City Manager Jeff Cantrell.

Commission consensus was to table this item to allow City staff time to provide an update at the next regular City Commission meeting relating to lifeguard applicants, lifeguard Red Cross certification, availability of PPE gear, pool capacity, and pool chemicals.

NEW BUSINESS

RESOLUTION AUTHORIZING CLOSURE OF NEW LOAN – ORIZON AEROSTRUCTURE

In 2017 the City issued Industrial Revenue Bonds which were purchased by Orizon. The City provided a Subordination Agreement in favor of a first mortgage to Community National Bank. In January of 2020 the City Commission approved a Subordination Agreement for a second mortgage to Crossland Construction Company as part of the construction of the third building.

After completion of the third building Crossland Construction Company will be paid and the new larger mortgage will require an additional Subordination Agreement by the City. The City of Chanute has no financial obligation in regards to the industrial revenue bonds or mortgages.

Motion made by Commissioner Fairchild, seconded by Commissioner Budreau, to pass the Resolution authorizing the governing body of the City of Chanute, Kansas to approve the execution and delivery of a consent and subordination agreement relating to a lease with Orizon Aerostructures, LLC, as successor to Orizon Aerostructures-Chanute, Inc.; and to authorize the execution and delivery of other documents relating to a loan by Community National Bank and Trust to Orizon Aerostructures, LLC.

Voting Aye: Mayor LaRue and Commissioners Berthot, Budreau, and Fairchild
Voting Nay: None
Absent: Commissioner Chaney
Motion carried.

The Resolution was assigned: No. 2020-17

SOUTHWESTERN POWER ADMINISTRATION/HYDRO POWER – TEMPORARY POWER LOAN

City Manager Jeff Cantrell reported that Doniphan, KS has completed their SPP Aggregate Study for firm transportation, thereby allowing Chanute to loan our small hydro power commitment to Doniphan, KS. Chanute will retain integrated market credits throughout the loan period. The City’s piece is rather small (1.1 mW) and frequently costs more than other power that the City has access to. Since the City is obligated to take this power first, and we are long on capacity, it makes sense to eliminate it, unless we feel it environmentally advantageous to have “renewable energy” as part of our portfolio. This energy first came to us under agreement with KMEA, when our blended pricing was in the mid-\$40 range. The City now has more affordable options that outperform this small piece of power. City staff has already executed the companion

agreement with Evergy/Westar that will allow them to schedule power and provide market credits back to the City of Chanute and Iola.

General discussion was made. Comments were made by City Manager Jeff Cantrell and City Attorney David Brake.

Motion made by Commissioner Budreau, seconded by Commissioner Berthot to pass Resolution authorizing City Manager to sign a proposed amendatory agreement between the City of Chanute, Southwestern Power Administration, and United States of America. Voting Aye: All. Motion carried unanimously.

The Resolution was assigned: No. 2020-18

CARES ACT GRANT OFFER – CHANUTE MARTIN JOHNSON AIRPORT

A copy of a Coronavirus Aid, Relief, and Economic Security Act (CARES) Act Grant Offer for the Chanute Martin Johnson Airport was provided to the City Commission review. In order for the grant to be valid, execution of the grant and attorney's certification must be completed no later than June 1, 2020.

The Federal Aviation Administration, for and on behalf of the United States, hereby offers and agrees to pay 100% percent of the available costs incurred as a result of and in accordance with this Grant Agreement. (maximum obligation \$20,000.00).

General discussion was led by Assistant City Manager Ryan Follmer.

Motion made by Commissioner Fairchild, seconded by Commissioner Berthot, to authorize the City Manager to sign the Cares Act Airport Grant Agreement with the Federal Aviation Administration. Voting Aye: All. Motion carried unanimously.

NEIGHBORHOOD REVITALIZATION APPLICATION – ASH REAL ESTATE, LLC

ASH Real Estate LLC has submitted an application under the Neighborhood Revitalization Program. It has been verified that the property listed under the scope of the application, 1619 W 11th, parcel identification number 067-049-30-0-10-13-006.00-0 is within the scope of the city limits of Chanute. The application has been reviewed by the Neosho County Appraisers office along with the Neosho County Treasurer's office.

General discussion was made. Comments were made by Assistant City Manager Ryan Follmer.

Motion made by Commissioner Budreau, seconded by Commissioner Berthot to approve the Neighborhood Revitalization Application from ASH Real Estate LLC. Voting Aye: All. Motion carried unanimously.

RESCHEDULE SECOND REGULAR CITY COMMISSION MEETING MAY 2020

Due to the second regular City Commission meeting in May falling on Memorial Day and City offices will be closed; Commission may wish to discuss rescheduling to another date.

General discussion was made.

Motion made by Commissioner Berthot, seconded by Commissioner Budreau, to reschedule the regular May 25, 2020 City Commission meeting to Tuesday, May 26, 2020. Voting Aye: All. Motion carried unanimously.

PROPERTY RESOLUTION – 120 NORTH STEUBEN

PROPERTY RESOLUTION – 901 SOUTH FOREST

PROPERTY RESOLUTION – 1205 SOUTH FOREST

PROPERTY RESOLUTION – 1614 SOUTH EDITH

Motion made by Commissioner Fairchild, seconded by Commissioner Budreau, to adopt resolution declaring that the above properties are in violation of Chanute Municipal Codes and authorizing abatement of certain nuisances as presented. Voting Aye: All. Motion carried unanimously.

The Resolutions were assigned: No. 2020-19, No. 2020-20, No. 2020-21, and No. 2020-22

COMMISSION COMMENTS

City Attorney David Brake wished departing City Manager Jeff Cantrell best wishes for the future and that he appreciated their working relationship the past five years.

Commissioner Fairchild echoed City Attorney Brake and thanked City Manager Cantrell and wished him the best.

Commissioner Fairchild commented on the City Budget and Cash Reserves. He suggested that the City Commission consider a policy to establish sufficient cash on hand.

General discussion was made. Comments were made by City Attorney David Brake.

Commissioner Chaney commented on City sales tax numbers.

Commissioner Chaney requested that the Commission continue further review and discussion relating to a City Flood Study/Project, a Main Street Development Committee, and the City 120-Special Sales Tax Fund.

Commissioner Chaney commented on the property located at 112 West Main and requested an update and further discussion relating to the condition of the building.

Commissioner Chaney commented on recent discussion relating to the Chanute 911 Dispatch Center. He requested that the Commission consider scheduling a meeting between the City Manager, City and County 911 Directors; including City and County Commission representation.

General discussion was made. Comments were made by City Manager Jeff Cantrell.

Commission consensus was for Mayor LaRue to reach out to the Neosho County Chairman and request a meeting between the City Manager, City Mayor, County Chairman, and both City and County 911 Directors to discuss dispatch operations.

Commissioner Chaney thanked outgoing City Manager Jeff Cantrell for his service.

Commissioner Budreau agreed with Commissioner Chaney's request for further discussion relating to Main Street Development, 112 West Main, Flood Study, 911 Dispatch, 21st and Plummer Intersection, and City Budget.

Commissioner Budreau wished outgoing City Manager Cantrell good luck.

Commissioner Berthot echoed Commission review of Commissioner Budreau's list of projects and also Commissioner Fairchild's request to discuss development of a policy relating to City Cash Reserve Funds and Capital Outlay planning.

Commissioner Berthot thanked outgoing City Manager Cantrell for his service and dedication to the community and City Commission.

Commissioner Berthot commented on the recent Cruise Main Street event. He reported that the event was well attended.

Mayor LaRue commented on the Cruise Main Street event and that he would endorse this event next month with the challenge that participants spend what they would on a tank of gas at a local merchant or fireworks fund.

Mayor LaRue requested follow-up information relating to Orizon and their previous donation pledge for improvements to Katy Stadium and a new scoreboard.

City Manager Jeff Cantrell reported that the donation for a new scoreboard has not crossed his desk.

Commissioner LaRue commented on the City Spray Park.

City Manager Jeff Cantrell reported that it was located at Highland Park.

Mayor LaRue thanked outgoing City Manager Jeff Cantrell for his service to the City.

ADJOURNMENT

Motion made by Commissioner Fairchild, seconded by Commissioner Budreau, to adjourn.
Voting Aye: All. Motion carried unanimously. Meeting adjourned at 8:30 p.m.

Tina L Bailey, CMC
City Clerk