

# CITY OF LANSING

## CITY COUNCIL MEETING

REGULAR MEETING MINUTES  
May 20, 2021

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### Call To Order:

The regular meeting of the Lansing City Council was called to order by Mayor McNeill at 7:00 p.m.

### Roll Call:

Mayor McNeill called the roll and indicated which Councilmembers were in attendance.

### Councilmembers Present:

**Ward 1:** Gene Kirby and Dave Trinkle

**Ward 2:** Marcus Majure and Don Studnicka

**Ward 3:** Jesse Garvey and Kerry Brungardt

**Ward 4:** Ron Dixon and Gregg Buehler

### Councilmembers Absent:

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## OLD BUSINESS:

**Approval of Minutes:** Councilmember Studnicka moved to approve the Regular Meeting Minutes of May 6, 2021, as presented. Councilmember Garvey seconded the motion. The motion was approved with Councilmember Buehler abstaining.

**Audience Participation:** Mayor McNeill called for audience participation on an item not on the agenda and there was none.

### Presentations

### COUNCIL CONSIDERATION OF AGENDA ITEMS:

**Approval of Audit Ending December 31, 2020:** Finance Director Beth Sanford stated I'd like to introduce Danielle Hollingshead, she'll be giving a short presentation and then Jami Benyshek. They were both here for our audit along with two other auditors. Were there two, I don't even remember anymore. One other auditor, Alex. It was an interesting year. We had, as I said in my memo, a single audit along with the normal audit. I'll turn the floor over to Danielle.

- Danielle Hollingshead stated can everyone hear me ok.
  - Councilmember Brungardt responded maybe a little louder.
    - Danielle Hollingshead stated I am going to share my screen so you can just see as I real quickly flip through this audit report. Hopefully, I do this right. Can you see my audit?
  - Councilmember Buehler replied yes.
    - Danielle Hollingshead stated perfect. Like she said I am going to go through it quickly and if you have any questions, feel free to interrupt me at any time. Starting with the audit report, I just want to go over the main piece of it that is important for you guys to know. On pages one, two and three, we do issue our opinion as qualified and this is because of and if you remember from last year, the City does not have an actuarial done on their other post-employment benefits. So therefore, they are not in compliance with GASBS No. 75. So, we do have to qualify the opinion for that. But if you skip down a couple of paragraphs, we do give an unmodified opinion for the rest of the financial statements we believe are fairly presented. It's just because of that one piece that we have to qualify it. This is the opinion that we give on the financial statements and if we keep going if you want it to do a quick recap of the audit, this is what I recommend reading. Beth puts this together. It's a great financial highlight of everything that happened and what kind of goes on within the financials. That is on pages four through nine and then you actually get into the financial statements on page ten. I'm not going to go through any of the numbers because you can read through those. But as you can see at the end of the year, you did have a change in net position in \$1,980,326 million which was an increase in almost double from

what it was last year. One thing I want to point out is we did have a prior period restatement this year and you will see there is a footnote in there for it on page 37. To quickly explain it, when we were looking at the debt of the City especially with the refunding that was done last year. We realized that the debt that belongs to the business funds and the capital assets that went along with that debt was being reported in the governmental funds. So, we did a reclassification between the funds, so you are going to see that there. The difference of the \$236,000 was for some construction in progress that started back in 2017. It just did not get picked up as construction in progress so when we booked the asset, we needed to reclassify that so that's what the difference is there. If you keep going the next financial statement set is for the governmental funds and the proprietary funds. It just gives more detail. The government wide versus fund financial statements, if you want to know the difference on how those are put together, you can read the footnotes. It gives clear guidance on how the City combines those. And then you get into the footnotes and I'm not going to go through those. This is a recap of all the accounting policies that the City follows to put together their financial statements. Each number on the statement in that position has a footnote that goes with it that better explains it. So, if you are trying to figure out what a number means, you can come to the footnotes and it'll help guide you. The only thing I wanted to point out one of the other things we have to look at is state statutes. We do have two statute violations during the year. The first one is for the state requires that funds are transmitted at least twenty days prior to maturity. When I looked at that they submitted it at twelve days instead of twenty. As you remember they had this finding last year too but the finding for this year was prior to us completing the audit for last year. They did fix it for the September payment. This was on the March payment. The second one is the Wastewater fund had a negative cash so therefore we had a violation that they exceeded expenditures. The only other footnotes I want to point out is if you want more on the prior period adjustment that I spoke on, it's right here on page 37. We also have a footnote for Covid. We don't really know how Covid is going to impact for certain in the future. We just put a risk and uncertainties in there to cover that. Then we get into Required Supplementary Information. It's just more information on KPERS and we get into the detail on each fund as well as the budget to expenditures recap. You can see how they did in comparison to what they budgeted last year. I'm not going to go through each of those funds. I just wanted to point those out to you. As Beth mentioned, we did have a single audit this year because you exceeded \$750,000 in expenditures. It's a little more in-depth audit. This first independent auditors report is over interim control on the financial statements. We do have two deficiencies that I am going to explain to you in a second. The second letter is our opinion over each major federal program. You have one major federal program and that was on the Sparks fund. We did not have any compliance issues with the Sparks funds themselves or anything that was materially impacting it. So, no issues with that. Here is the schedule of federal awards and as you can see of the total amount the City spent last year, we tested about 98% of it. We did test a good chunk of it. On page 65 are the two deficiencies we had. The first one is in regard to accounts receivable. If you

remember last year, we had noted that the allowance for doubtful needed to be reviewed. The City took action on that and they did do significant work on the allowance and the AR. Unfortunately, when the entry was made it wasn't made correctly between the funds, so we had some material adjustments we had to make to get the funds corrected for the utilities. The second one is on Capital Assets. \$5,000 seems like a lot but when you take the report of vendors or expenses, they have spent in the year for \$5,000. There's a lot of them that they have to look at and I think we have six that got missed last year. That's just for items that need to be capitalized. That is the financial statements in a nutshell. The other thing I wanted to briefly talk to you about is the letter that you have. We just wanted to let you know that we didn't have any difficulties during the audit, any disagreements with management, management was great to work with. They provided us with all the information that we needed in a timely manner. We can't thank them enough for their assistance. We did have two audit recommendations and I have actually already went over them. The first one was in regard to the bonds that were in the wrong funds. It was in the government funds instead of business funds. The second one is in regard to budgeting within the utility fund. Just making sure they are watching those budgets and making sure they're incurring any expense at the end of the year that are approved through Council. Those are the only two audit recommendations we had during the year. Any questions.

- Mayor McNeill asked any questions from the Council. We have no questions. Thank you very much Danielle.
  - Danielle Hollingshead stated thank you.

Councilmember Trinkle moved to approve the final audit for the City of Lansing for the year ended December 31, 2020. Councilmember Buehler seconded the motion. The motion was unanimously approved.

**Design Services Agreement – Wastewater Towne Centre Project:** Councilmember Brungardt moved to approve the scope and services agreement with George Butler Associates for design engineering services for the Towne Centre Trunk Sewer Replacement Project in an amount not to exceed \$78,396.00. Councilmember Buehler seconded the motion.

- Councilmember Studnicka stated I got a question for Tony.
  - Wastewater Utility Director Tony Zell replied yes sir.
    - Councilmember Studnicka asked we were both here back when all that was developed, bought out by the developer, we put the street in, we did all that. Did we misestimate the size of the pipe that we needed?
      - Wastewater Utility Director Tony Zell responded I can't specifically speak to that; I wasn't part of the project team that designed those improvements. That was back when we were part of Public Works. So, I'm not sure what decisions were made back in that point of time. But as we move forward, the land became more marketable, the City purchased the property, we started looking closer at what it was going to take to make that work.
        - Councilmember Studnicka replied alright thanks.
          - Mayor McNeill asked is it in the far north you are talking about.
            - Wastewater Utility Director Tony Zell replied yes.
              - Mayor McNeill stated its basically the older part.

- Wastewater Utility Director Tony Zell responded right, it's from West Kay north into Bittersweet.
    - Wastewater Utility Director Tony Zell stated honestly, I can't answer the question as to why they didn't do that.
  - Councilmember Studnicka responded no, I understand that.
    - Councilmember Brungardt asked you said going north on West Kansas or Kay?
      - Councilmember Studnicka replied Kansas going north.
    - Wastewater Utility Director Tony Zell stated West Kay.
      - Councilmember Studnicka responded West Kay, I'm sorry, going north.
  - Wastewater Utility Director Tony Zell stated they stopped at the northern limits of the Towne Centre Project and that's as far as they went.
- Councilmember Trinkle asked wasn't that when that all came down, weren't they talking about adding, buying the rest of that land. I just remembered that.
  - Wastewater Utility Director Tony Zell responded mystery lot.
    - Councilmember Trinkle stated they were talking about going on further north. That might have been why, there was probably discussion and then that's when everything went south on the whole project.
      - Wastewater Utility Director Tony Zell replied it could have been, unbeknownst to me.
        - Councilmember Trinkle stated they were going to go ahead and buy the other. The other people came out and didn't know why they didn't buy their house or further north.

The motion was unanimously approved.

**Change Order Request – 2021 Capital Improvements Program:** Councilmember Kirby moved to approve Change Order #1 from Little Joe's Asphalt for the additional Mill & Overlay work in an amount not to exceed \$184,770.00. Councilmember Studnicka seconded the motion. The motion was unanimously approved.

**Sanitary Sewer Easement – 00000 Fairlane:** This item is information only and does not require any action. Mayor McNeill stated Greenamyre Rentals, Inc. is working to develop the parcel on the northwest corner of Santa Fe and Fairlane. To move forward with the development of the parcel already zoned as R-4, they have executed a sanitary sewer easement for public sewer to be installed on the property.

**Executive Session – Non-Elected Personnel:** Councilmember Buehler moved to recess into executive session to discuss personnel matters pursuant to the non-elected personnel matter exception K.S.A.75-4319(B)(1) for 10 minutes, beginning at 7:17 PM and returning to the Council Chambers at 7:27 PM. Councilmember Brungardt seconded the motion. The motion was unanimously approved.

Councilmember Studnicka moved to return to open session at 7:27 PM. Councilmember Buehler seconded the motion. The motion was unanimously approved.

**Executive Session – Economic Development:** Councilmember Buehler moved to recess into executive session to review economic development activities pursuant to the discussion of confidential data relating to financial affairs or trade secrets of corporations, partnerships, trusts, and individual proprietorships exception K.S.A. 75-4319(B)(4) for 15 minutes, beginning at 7:28 PM and returning to the Council Chambers at 7:43 PM. Councilmember Dixon seconded the motion. The motion was unanimously approved.

Councilmember Buehler moved to return to open session at 7:43 PM. Councilmember Studnicka seconded the motion. The motion was unanimously approved.

Councilmember Buehler moved to recess into executive session to review economic development activities pursuant to the discussion of confidential data relating to financial affairs or trade secrets of corporations, partnerships, trusts, and individual proprietorships exception K.S.A. 75-4319(B)(4) for 10 minutes, beginning at 7:44 PM and returning to the Council Chambers at 7:54 PM. Councilmember Garvey seconded the motion. The motion was unanimously approved.

Councilmember Buehler moved to return to open session at 7:54 PM. Councilmember Dixon seconded the motion. The motion was unanimously approved.

## **REPORTS:**

Department Heads: Community & Economic Development Director Matthew Schmitz asked the Council about their feelings towards beer sales for the 4<sup>th</sup> of July Fireworks show. The Council was in favor of having beer at the event.

- Councilmember Kirby asked if they sell it, or we have to man it.
  - Community & Economic Development Director Matthew Schmitz replied that is the question right now. We have to find a caterer and there is not currently one in Leavenworth County.
    - Councilmember Kirby stated I've worked it before, and it gets pretty busy so if we can get someone to do it.
      - Community & Economic Development Director Matthew Schmitz responded he would rather have a caterer do it.
        - Councilmember Trinkle asked about a local business doing it.
          - Community & Economic Development Director Matthew Schmitz replied that is an option as well, the preferred option.

**City Attorney:** City Attorney Greg Robinson had nothing to report.

**City Administrator:** City Administrator Tim Vandall let the Council know there is a staff committee that is discussing the American Rescue Funds. Lansing is being allocated around \$1.67 million. Some eligible costs are sewer, storm sewer and broadband. These funds have a four-year deadline so we're looking at ways to improve broadband access in Lansing. Other projects being discussed are ones that can spur growth in Lansing like development of sewer lines. We'll bring some ideas to the next work session. Mutual Savings Association has a new building open, Ten and Two Coffee just opened, and Club Car Wash will be opening next week. He is really thankful for the job Matt Schmitz and his staff has done getting them here as well as the Council making this a business-friendly community.

**Governing Body:** Councilmember Brungardt thanked Beth for the job she did with the audit. He received a call from one of the auditors and she let him know how transparent and attentive Beth was at getting everything they needed.

Councilmember Trinkle asked if there is a way to make the words larger on the new digital sign.

- City Clerk Sarah Bodensteiner replied we try to make it as big as we can but if the message has a lot of text, we only have so much room.

Councilmember Trinkle asked about the screens on the dais and making the images larger. The graphs look like they are running together sometimes.

- Community & Economic Development Director Matthew Schmitz stated they can take a look at the resolution to see if they can make it larger and clearer.

Councilmember Kirby read an article about Kansas and many of its County Health Directors quit over the stressful events of the last year or so. He wanted to publicly thank Jamie Miller and his crew for doing a bang-up job. He also thanked the school district. There are schools in the area that are shut down and going virtual, but Lansing school district had a pretty good year. He thanked everybody involved in keeping the schools open. Hats off to both of those great organizations and the work of all the people involved. Councilmember Majure thanked Beth and staff for a great job. He's really excited about faster internet in the city and great news on the three new businesses. Memorial Day is coming up and asks that we take time to remember those who have served. Last, the Fishing Derby is coming so get your kids signed up.

Councilmember Garvey told Beth and team great job on their efficiency with the audit. The new businesses are exciting, and he can't wait for the car wash to open. Exciting things are happening in Lansing and he looks forward to more businesses coming.

Councilmember Buehler dittoed everything everybody else said. He also reminded everyone of the city-wide garage sales this weekend. He also provided a fun fact, on this day in 1899, the first traffic ticket in the US was written to a cab driver in New York City going 12mph.

**ADJOURNMENT:**

Councilmember Dixon moved to adjourn. Councilmember Brungardt seconded the motion. The motion was approved with Councilmember Garvey voting against the motion. The meeting was adjourned at 8:07 p.m.

**ATTEST:**

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Mayor, Anthony R. McNeill

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City Clerk, Sarah Bodensteiner, CMC