

BOOK 26
April 3, 2024

BURLINGTON CITY COUNCIL REGULAR SESSION 4-3-2024

City of Burlington Governing Body met in Regular Session at City Hall's address, 1013 N. 4th Street, Burlington, Kansas, at 6:00 p.m. Wednesday, April 3, 2024. Mayor Luke called the meeting to order.

THE PLEDGE OF ALLEGIANCE

ROLL CALL: Stan Luke, Mayor

Council Members present:

Jerilyn Curtiss (President of Council)

Maxi Berryman

Cara Mays

Lila Van Horn

Nathan Strawder

Martin Ernst

Superintendents Present:

Kevin Boyce (Parks)

Alan Schneider (Electric)

Mark Davidson (Street)

Doug Jones (Chief of Police)

Danny Hawkins (Water/Wastewater)

Also Present:

Anne Brown (City Clerk)

Mary Mader (Administrative Assistant)

Philip Wright (City Attorney)

Jimmy Hugunin (Zoning/Grants Clerk)

Kerri Weltha (Deputy City Clerk)

Media Present: Mark Petterson (Coffey County Republican)

VISITORS: Jay Hale, Ronda Gilbert, Tyler Ellsworth, Bill Michaud

AGENDA:

Council Member Ernst, "I move to approve the agenda as amended." Council Member Strawder, "Second." Motion unanimously carried, 6:0.

MINUTES 3/20/2024: Mayor Luke, "You have before you the draft minutes of our regular session of March 20, 2024. Are there any additions or corrections?"

Council Member Van Horn, "I move to approve the draft minutes of March 20, 2024, as presented." Council Member Strawder, "Second." Motion unanimously carried, 6:0.

APPOINTMENT: Ronda Gilbert – Burlington Promotions

Ronda Gilbert, "I am here on behalf of Burlington Promotions. We have set the Boofest date for October 12th. We'll need like Kelley Park, Kelley Hall, and the 4-H Building. Burlington Rotary does their wing competition, and they're one of the participants, and they will need it like at noon to start cooking the wings. The Boofest doesn't start till 5, and then I'll just go to like dark. We're not having the movie this year. We're just-- we'll end after the candy hunt on the field. So, I talked to Kevin. He is always really good about helping us to see everything that we need and everything. And he had thought that maybe Salli Stewart had in a previous time just kind of set that that we could always get that in October, and so I didn't know if you guys want me to keep coming back or if you would just like to set that that we would get it?"

Mayor Luke, "We will have to go back and look. I don't remember." Ronda Gilbert, "Okay, and I think it's been a while, and that is one date. Then, the Christmas parade, I've set that for December 7th at 6 p.m. It's just like normal, but I will need the officers if they can help me with the traffic and stuff." Council Member Ernst, "What day was that again?" Ronda Gilbert, "The Christmas parade is December 7th, the first Saturday of December, at 6 p.m."

Council Member Ernst, "I move to approve Burlington Promotions' request to hold Boofest in Kelley Park on October 12, 2024, including reserving Kelley Hall and the 4-H Building with all fees waived." Council Member Van Horn, "I second the motion." Hearing no further discussion, Mayor Luke called for a vote. Motion unanimously carried, 5:0.

Ronda Gilbert, "And the parade is okay too with you guys?" Mayor Luke, "We'll check. Is the Rotary going to be doing their chili stuff?" Ronda Gilbert, "That could probably be a possibility too, but we'll have somebody come and talk about that if they want to have it out front. I'm just asking for, like, the river bridge through to the courthouse." Mayor Luke, "Yes, I'm assuming. It always has been." Ronda Gilbert, "Okay, thank you so much."

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APPOINTMENT: Bill Michaud – Hotel Development

Bill Michaud, “Good evening. Thank you for having me. I realize fully that everybody is in a little different stage of awareness and has heard my-- gotten this piece of paper, a similar one a time or two along the way. So, this is not my first time, but my name is Bill Michaud. I'm from Fort Scott. I'm a hotel owner, operator, and developer. I've got a Sleep Inn in Fort Scott, Holiday Inn Express, and a Quality Inn in Atchinson are my three. My little organization and I'm interested in putting --in doing a development here in Burlington. I've got some parcels. The nine acres north of Journeys, that's under contract, as well as the 30 acres between that parcel and the river to the east there. I believe a little over a month ago, you have approved the funding agreement. So, we have had some preliminary conversations between the Polsinelli, my attorneys, and Tyler with Kutak Rock, who represents you guys. So, we've had some very preliminary conversations and provided some data. I wanted to just come here tonight and kind of go back through the high-level overview of the project. Mark did a nice job doing a write-up in the newspaper where I attended the county meeting last Monday. I am at a point with that piece of the development, which I'll cover here in a minute, that allows me to now engage the city and put this in front of the city for consideration.

“Recently, in 2023, the rules governing the Star Bond program changed. Previously, Star Bonds were intended for big developments like the Legends area in Kansas City is probably the most prominent one. 2023, and previously, the rules only allowed for Star Bonds incentive money to be used for infrastructure. In 2023, the legislator changed the rules for rural communities under 50,000 for that program to be used in rural communities for development costs. So, the Department of Commerce and the administration wants to see projects like this making an impact in rural communities. So, with all of this that's going on in the area, way up north, and doing a lot of personal research on Burlington and the gap in lodging between Topeka and Independence on Highway 75 and lots of other market factors kind of drew me in. Burlington would be a good opportunity to pursue a development here.

“So, started talking to Bobby back in February or March of last year. Kind of a conversation that took turns and bends and been a little windy road and dealing with that. But here we are kind of putting this in front of the public. The Star Bond project, one of the critical components that matters to the Department of Commerce is that there has to be an attraction piece, something that was going to drive visitors from, not only, you know, from outside the county. So, draw visitors, regionally and even from outside of the state. And so, as we kind of used our imagination to try to figure out what that would look like for Burlington, what kind of investment, what kind of project that would make an impact and fulfill that criteria? We came up with an amphitheater. We've done quite a bit of research. I mean, there are facilities, you know, in the bigger areas, but here we are in the middle of lots of different population areas that we could draw from to bring concerts and make a facility like this successful.

“So, as part of the Star Bond, once we get an affirmative response from the city, our next step is to go to the Department of Commerce, and they will require a feasibility study. So, they've got third-party contractors that will go through lots of feasibility analysis steps and gather a lot of information. So, you know tonight is just an introductory presentation. I'm sure there will be additional follow-ups even before we get to Commerce, but after we get to Commerce, then we'll still be waiting for, I guess, final approval on the project based upon the results of the feasibility study. So, the project will be a Star Bond project that would include in their photos of the overall general development with that original—what it's proposed to look like right now on page four. The hotel would have 65 rooms or so. We've talked with and engaged with Choice Hotels. It would be a dual-brand with half of the rooms being a Sleep Inn and half of the rooms being a Main Stay extended stay model. So, we've kind of got that isolated.

“There are three parcels, there's enough acreage on this land, on this nine acres, the hotel would take two so that would leave us about seven acres in addition. So, we've kind of platted two fast food restaurants right along the highway, and an American sit-down family style, sports bar type restaurant on the back side, and this is just, you know, what we're envisioning this to be. We don't have contracts. We don't have those pieces in place. But this is how we envision; this is how we're going to kind of plat and market this development. The very, very north edge there will be --the current plan is an RV park with about 30 spots on the north edge there. We feel like there's going to be a pretty significant demand that needs to be accommodated in the next bunch of years. The point of the whole thing is to bring money into bring our folks both from the construction to the north, you know, from the regionally and accommodate them in Burlington so they're spending money in one of our-- in this area.

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“So that's kind of the high-level overview of what the plan looks like. I've included on page five kind of the new design. That's a brand that Sleep Inn brand is rolling out. The photos at the top and are what just a regular brand-new Sleep Inn would look like. At the bottom, you can see what the dual-brand has two signs and what a dual-brand would look like. So, it'd be some marriage of those two visual concepts is what the hotel would look like in the plan.

“Getting into Star Bond – high-level view, and then we'll kind of turn it back to you guys, and between you guys and Tyler, you can ask questions. Maybe Tyler can chip in and help, maybe outline how the incentive programs and how those would function. But in a Star District, basically a Star District, you draw a boundary that can be as big or as small as you want to draw it. But essentially, what the Star Bond creates is a baseline of the historical 12 months once the Star Bond is approved by the governing body. That baseline becomes the fixed amount of taxes that you would, the city, would see each year during the life of the Star Bond. So, hypothetically, if the city approves it today, the historical twelve months, if it was ten million dollars with the sales taxes collected for the next 20 years or until the bonds are paid off, the developer wouldn't get anything until the city is whole on their ten million dollars. So, if the thought is the hotel, the restaurants, all those are the amphitheater would generate lifts in the market from, you know, sales to your businesses and sales tax collection.

“So, the developer only gets the benefit of the lift, not the baseline. So, your long-term income would be established. You wouldn't lose anything that would cost you at that level. So, we've provided here what we initially proposed, which is the Star Bond District, and it's primarily up and down Highway 75, and it would include impacted businesses that you would think. The Pizza Hut and the Sonic and the Subway, the stuff right here, at Cross Street and on Highway 75, that all would receive pretty immediate overflow from people staying the night or people attending a concert. So, we've outlined the Star Bond District there. Tyler, is there anything you want to add on Star?”

Tyler Ellsworth, “The only thing that I would note on Star Bonds is this is really just a sales tax incentive. It has nothing to do with property tax. As Mr. Michaud indicated, there is a base level of sales tax that the city currently collects, and the Star Bond incentive is put in place, you would continue to collect that base sales tax. The increase in sales tax above that base would be available to reimburse his cost over a period for up to 20 years. I just wanted to make that point clear. The city is not coming out of pocket for anything. It's really the increase in sales tax within the boundaries of the proposed district that would be available for him to reimburse the costs of building the hotel. That's how the Star Bond incentive works. We call it a Star Bond because traditionally, bonds have to be issued; traditionally, there is actual debt that's issued. The way that Star Bonds work for a rural project like this, there are no bonds, and there's no debt. The developer will take on bank debt, but the city is not issuing any bonds. The city basically just collects these sales tax accrues, and to the extent that there is an incremental increase in those sales taxes each year, that gets passed back to the developer. That's how those work.”

Bill Michaud, “Thank you. So, that is the Star Bond. A completely separate mechanism is a Community Improvement District, CID, you've probably heard. I think there are probably some CIDs that have been done north and in the area. So, maybe something you're more familiar with is a CID. We're also proposing a CID over just the nine acres where the hotel is going to be; a two percent CID in that area. And that would, just like every CID, come back to the developer as well. Then, a secondary CID, as we looked for how to fund and how to make sure that the amphitheater would be paid for and funded. We also propose, and I've shown it on page eight, a secondary CID district that covers the amphitheater parcel, the 30 acres, and then also cover Bomgaars and Hoovers. And the proposal for that CID would be one percent on the sales of that in that area. So, those are really the main two things that we are looking for the, you know, to have the city involved. We will become utility customers. So, you know, we would also ask the city to help us to get utilities to the property line, water, sewer, and electric. I've made some notes as far as that is concerned. What else? I guess that's the high-level summary, good pictures. What else? Any questions that that brings to mind? Anything I can elaborate on to help understand the scope of the project?”

Mayor Luke, “Have you heard back on the floodplain issues?” Bill Michaud, “I've not heard back on the parcel. All these parcels are in the floodplain. The nine acres, the east edge of the nine-acre parcel, is two and a half to three feet below the flood area. So, we will have to lift all of the pads, and you're going to get a natural lift on pads, a foot to a foot and a half anyway, just by building it up and pouring the slab and all that stuff. So, we will certainly be going through a letter of map revision process with FEMA to lift the -- we don't have any interest

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in paying flood insurance. So that's a fairly common practice. My Sleep Inn at Fort Scott got lifted five feet, so it's something I'm familiar with. I've been through that process; I understand, and we will engage with civil engineers to help us with that. So, these will certainly be lifted out of the flood area some." Mayor Luke, "Because I know we don't annex floodplain property into the city. So, it will have to be totally cleared out of the floodplain by whoever before an annexation will take place." Bill Michaud, "Okay."

Mayor Luke, "We don't want the floodplain issues either. And as far as the RV park, I think code requires that they have to be at least three acres." Bill Michaud, "Well, that's exactly what that's on. The estimate is ten sites per acre is what's a kind of a normal one, and I've got 30 spots. It's right at three acres." Zoning Clerk Hugunin, "I'm assuming you want sewer for that also, then, correct?" Bill Michaud, "Yeah." Zoning Clerk Hugunin, "Okay, that's down the road, but we'll just have to do a special use permit if it's going to be in city limits with sewer." Bill Michaud, "Okay." Mayor Luke, "Nothing there that we can't work with you to overcome. It's just a matter of making sure we don't come down, and all of a sudden, it's like, oh, we never thought of this."

Bill Michaud, "Starting early to address those types of things makes a lot of sense. Absolutely. Somebody, I'm not sure where, somebody along the way said to me that, you know, when they built Wolf Creek, you know, Burlington didn't really experience much of a population or an economic boom relative to housing or population. It feels like the opportunity of all the things that are going up north. One of the things that I feel like this is going to do, and it'll be part of my job, is to make sure that whether it be in corporate staff or construction workers or vendors of all those facilities 12 miles north of here, it is going to be really easy for them to get on the highway going east and west. It would be a benefit to Burlington to bring that money south as much as possible. So, to me, a facility like this is about, you know, there's going to be lots of hurdles, lots of things to overcome and get through, and the Star Bond process and all these incentives is super complicated. But to me, this is...it's about stacking wins. And, you know, I put myself in a good position, put the City of Burlington in a good position to draw some of that business and support, you know, maybe support businesses that are already here and maybe support some housing group and just, you know, to me that's a pretty significant opportunity for Burlington and provide services that haven't been here, franchised, modern lodging facility, an American restaurant, those types of things that we're, you know, that are part of this plan, making an impact in this community."

Council Member Ernst, "So, what kind of time frame are we looking at?" Bill Michaud, "I'm moving through the process; it's four or five months to get through Commerce and the feasibility study. Once I get all the approvals, there's a 30- or 60-day notice period that's required for the Star Bond period. So that will have to be publicized, and given some timeline on that. I will have once I get everything approved, I'll probably have four to five months on architecture, design, planning, civil work, that type of stuff. So, I'm probably in the 12 to 18 months before I could rent a hotel room at this point. Hopefully, shorter end of that, but there's a lot of work to be done."

Council Member Van Horn, "So what would you do to incentivize restaurants to move into that area? I mean, because if we don't have food places there..." Bill Michaud, "Sure, each one of these incentive programs there is going to be if somebody comes in and they share in a piece of, you know, you're going to create sales tax from the Star Bond. We may incentivize them and share in the incentives if that's what it takes. The gap in the market is that there isn't a sit-down American sports bar in the county. I mean, there are a few smaller ones, but not any, I guess, not anything new that would seat 100 people that would maybe have a little side room. There's just a gap in that market. So, if it comes down to sharing in the incentives, that is certainly something that we put on the table. But I think there's going to be by the time you build a hotel; you build an amphitheater, all the stuff that goes on north and some additional growth, I think once the announcements are all final and this is all contingent on announcements, I'm just trying to build up and be in the right place, you know, to be ahead of the construction up north. So once all those things happen, I don't think it's going to be as hard of a sell to get those facilities to become part of the development as it is today. The calculations, none of the things that we have put forth so far, include income impact or sales tax impact from something that isn't there yet. So, the additional, the sales from a restaurant or the fast food or those items, those would be additional to what we were already counting on to make this development successful or financially viable."

Mayor Luke, "I know you have had discussions with the county about the amphitheater. What's--?" Bill Michaud, "Sure, I was that the county last Monday. Cleared up some issues, some concerns, some questions, that they had. Walked away with a favorable enough of a feeling that they would be willing to continue the conversation about operating the amphitheater. So upon-- we will develop it, we'll build it. We'll have them

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involved in all the decisions that involve costs. But then, once we complete the construction, they will lease the facility and make a payment, a lease payment, that will be the equivalent of the debt. So, it's going to be, and we've identified funding sources for that not to become a taxpayer impact. The CID over Bomgaars, Hoovers, and the amphitheater would be one funding mechanism. The amphitheater in that same geography, that same boundary, would also be the Star Bond District. The Star proceeds would go to fund the amphitheater or operating costs.

“So, those income streams will revert back to the county so that the county is not going to the general fund for operations or debt service on that facility. So, we've identified, how's this thing going to pay for itself. The county will lease it, and then there's conversations ongoing about how that's going to be operated. So, the county is in a fairly good-- I think in a couple of weeks, they will consider the term sheet, which is basically the written document. They'll actually vote on whether they agree to that or not, but they were pretty favorable when I left the county meeting the other day.” Council Member Ernst, “So, will the amphitheater be annexed into the city as well?” Bill Michaud, “Probably. That is up for discussion. That's something that will work with Tyler, Joe Serano, the attorney for the county. We are going to figure out what the best thing for that to be a success.” Council Member Mays, “In order to meet the Star Bond criteria, you have to have all the pieces, the amphitheater. It's a package.” Bill Michaud, “Yeah, it's a package. Take one piece out, and the whole thing falls apart, and there are so many pieces.”

Sergeant Stuart, “I have a question. How many people are you expecting this amphitheater to be able to hold?” Bill Michaud, “1,500 to 2,000. We are going to have lots of conversations when it comes to the feasibility study. What's the capacity? What's the right size for the community, for the geography that we're in? How many tickets are we going to have to sell if we have a band that's going to charge us \$50,000? So, all that's got to be figured out and analyzed, and right now—I've had some conversations with Mark, who plays in a band and has done some touring and been to these types of facilities. So everything that's on the paper isn't necessarily set in stone. We're figuring those things out as we go. I'm really good at developing hotels and operating hotels. This other stuff, we are finding subject matter experts and going to do the feasibility study and do all that work to figure out what's just right for this market to give it the most opportunity to be successful. Nobody wins if we over-designed it or overbuild it or, you know, make something that isn't the right size for Burlington and Coffey County.”

Mayor Luke, “And Randy, transportation will be part of the infrastructure study that is done with the feasibility.” Bill Michaud, “So you're talking about traffic; KDOT will require us to pour a driveway off of Highway 75. We will have to do a traffic count study and a speed study, and I've got a list of studies that KDOT's going to require for us to even get a driveway there. So, there will be information available on that.”

Council Member Strawder, “I had a couple of questions. On your nine acres of development, you have the hotel and the other buildings, you have those three buildings is that – are you just planning on those being lots open for purchase? Or are you going to be actually seeking development for those areas? Meaning, are you just creating three new lots, or are you going to be an active part of actually filling those three?” Bill Michaud, “To the point made earlier, this development is a lot stronger the more pieces of the puzzle we put together. And so yes, there are going to be lots created, but the strength of our development is -- the probability of success for our development is lots greater if we can fill those lots. So, yes, they are going to be lots but I'm also going to take an active role in marketing. We've already had some conversations with, you know, some third parties and some restaurants to fill those spots. I don't know if that answers that question or not.”

Council Member Strawder, “So, the CID #2 and the proposed Star Bond District, the benefit areas, which include other areas and stuff, have you had discussions with those businesses? Were they favorable?” Bill Michaud, “So, those businesses, the impact is only favorable for them because the tax rate won't change. Their taxes won't go-- the sales tax for the businesses in the district won't change. It's only the state that has to approve their portion, the state and the city that says that our portion of the lift goes into the Star Bond, both the state and the city. So those businesses only realize the benefit of people staying in town and the concerts and all those things. So, CID, you have to survey the businesses because those businesses are taxed at a different level than other businesses on a CID. Star, because the 8.5% sales tax isn't going to change, you don't have to get the consent, or you don't have to survey the businesses inside of the star district.”

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Council Member Strawder, “Okay, but the tax collected on that is essentially earmarked to go back to the bond payment? That’s how that works?” Bill Michaud, “The lift. Everything over the baseline. So, to the Sonic, it doesn't matter. The Sonic, whatever taxes they collect, they send it off to the state in the exact same way. The state collects it and sends it back to the city and county. Once the baseline, I'm just going to go back to my 10-million-dollar number, once the 10-million-dollar number, then the rest of it comes back to the developer. So, on the Star, yes, the lift funds are earmarked for Star Bond payments. CID is different. There would be a one percent as proposed if that's approved, there would be a one percent CID tax at Hoover’s, Bomgaars, and on the amphitheater a piece. So, there'll be a one percent sales tax collected, that would be different. That does require the benefit, or the survey of the business owner’s approval of the business owners. And we've had real close discussions with Ron at Hoover's, and he’s very much on board. He does recognize the impact that this will make to his business and to Burlington. So, Ron is on board with what we are doing here.”

Council Member Strawder, “The only other thing, and this is I’m not sure, but by having the Star Bond District and both of the CID areas, does that restrict the city’s ability to create a transient tax for hotels or does that restrict us from being able to do that? How does that type of thing work?” Bill Michaud, “Right now, the county assesses a three percent transient guest tax. Our proposal to the county as a way to make sure they have operating funds, and they can hire somebody to organize and, plan and manage the event center is to utilize the transient guest tax for that purpose. So, the county has it today. The proposal is for the county to continue to have it in the future and move it from three percent to five percent. So, our numbers on the transient guest tax are moving that up, and that would remain a county thing. Relative to, you know, I don't think that since the county has a transient guest tax, the city can have one, also was my understanding with transient guest tax. Can’t have both.”

Tyler Ellsworth, “That is typically the case. There are a couple of instances with the state where there are city and county both separate transient guess tax, but generally, unless you charter out of the statute, it’s either at the county level or the city level but not both.” Bill Michaud, “Good questions.” Mayor Luke, “Any other questions? We will look for the next step.” Tyler Ellsworth, “And, the only other thing that I would add since we are all here and we are all talking about it is that this will be a process. There are several steps in the process. Obviously, we're not looking for any kind of decision from you all tonight. But when those decisions come up, the idea is that we will be clear with you about decisions that are coming and provide you with enough information to make an informed decision on how this all works. One of the nice things about what is being proposed here is that the city really isn’t asked to come out of pocket. It's increases in sales tax, for instance, that are potentially going to be used to reimburse the developer here, rather than the city making a financial commitment or making a commitment that is based on things backed by your tax revenues. In this case, if the development results in increased taxes that benefit everyone, particularly it would benefit the city, those taxes are used to reimburse the developer's cost. But the city isn’t taking out debt. The city is not being asked to put its financial skin in the game. I just wanted to make that point clear.”

Council Member Van Horn, “Maybe I just wasn't paying attention, but this feasibility study, when will that happen?” Bill Michaud, “As soon as I get an affirmative feeling, affirmative direction from the city. Similarly, at the county or once I get the partners, once everybody acknowledges that we're in partnership in general terms, then my next step is to go to the state Department of Commerce, meet with Commerce, and they will engage that feasibility study. But I have to make sure our public-private partnership is together first. Another thing, the benefit of this is they write the Star Bonds over 20 years. If things take off because of the chip stuff up north, whatever happens, and the Star Bonds pay off early. All that means is that it's that much quicker that you get the full tax. You’ll always have a hotel. You'll always have the amphitheater. You’ll always have these things that are part of the community that should become tax generators, and the Star Bond gets paid off 100%. It's over. The city, the community, the general fund for the county, and the city are the benefactors of that the quicker the Star Bonds payoff.”

Council Member Strawder, “Are there any exceptions to our standard development process at the city? Like any exceptions that you foresee requesting or anything like that? You’ve reviewed our practices --.” Bill Michaud, “Can we circle back around to the annexation, the floodplain thing? I haven't thought through how that’s, the timing-wise, of how that's going to need to happen. Well, from an agreement standpoint and then all the legal factors. So, no I haven't gotten that far yet.” Council Member Strawder, “That would be one thing that I have stated, that it’s nice to know what you are asking for as far as an exception to our standard process. I know, not

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you guys, but some of the stuff that I have been involved in, they kind of try to or hope to just push all of the standard stuff aside and do their own thing and get that approved. Just know that will be a question I ask: how does this differ from our standard process.”

Council Member Ernst, “How much is the Star Bond going to be?” Bill Michaud, “Star Bonds are approved for a percentage of your development spend. So right now, the legislation allows for up to 50 percent. Our modeling has 40% of the project cost. So, you can tell it would matter like with the hotel is going to be a seven-and-a-half million-dollar thing. So, it matters as a percentage of the hotel investment. If we are able to land partners with the restaurants and those things, then that number changes. So, they haven't really done, I don't think they've done any, rural Star Bond projects since they changed the rules. So, we're kind of in new territory with this, and the more we get to Commerce, you know, the fluidity, how about tables to adjust and change from, you know, the hotel, the amphitheater, and the RV park and you add a restaurant. The mechanics of that, I'm not even sure they 100% have that down. So, it's kind of a new thing.”

Tyler Ellsworth, “Yeah, I think that's right. But I think, as you mentioned, Commerce has this threshold of 40 or 50 percent of your project cost in the Star Bonds in support. The idea is that there is at least 50% or 60% of the dollars of the project that comes from private sources. The equity or private financing that the public dollars aren't being asked to cover the entirety of the project cost. So, that's one of the safeguards, if you will, that is built into the Star Bond system.”

Council Member Strawder, “One more question, on the hotel side of it or whatever, are you looking at adding a type of convention space or meeting space? One thing I've noticed is a lot of the hotels with medium-sized convention spaces no longer exist. You either have huge convention areas or a 20-person conference room type of thing.” Bill Michaud, “When we started talking to Bobby back in February. The thing, the attraction, the substitute for the amphitheater, was a big meeting room off of one end of the hotel, an event space. As you do research on event spaces; it's really those things don't cash flow very well. People don't want to pay meeting room rental fees. And if they want to pay any at all, it's not very much of people are going to afford to use that type of space. So, the answer is no, just for that very reason. One of the things as a restaurant space; a restaurant has the food service available, and the bar available, and those things that they can financially benefit from without having to, you know, just have that separate space that's sitting there empty if somebody's not using it. So, certainly, that was one thing that we've recognized as a market need. And as we look at and we talked to restaurants, that restaurant piece, that sit-down American restaurant, you know, that'll be something that will make sure is on the radar and is considered with the size.” Council Member Strawder, “I was just curious because I have spent the last couple years trying to find places, like after the pandemic most places shut down, and other areas like that.”

Bill Michaud, “It's come up in almost every conversation we've had like are you going to address this need, and it's just so hard because that's it's hard to make money with that expensive asset, and it's hard to create cash flow and temporary labor to serve events, and it's just really hard.” Council Member Mays, “I think my only question, so I'm new to the council and I haven't heard anything about this at all but so what I'm hearing is like, what you're kind of asking for or potentially could be asking from the city would be an annexation possibility, your utilities, and then the approval of the Star and CIDs.” Bill Michaud, “That's it. That's the nutshell. Thank you very much for your time. Thank you.”

PUBLIC COMMENTS:

Jay Hale, “I'll just say the only thing I know about Star Bonds is what I learned tonight. I know even less about CIDs. I'll just remind you that the rising tide lifts all boats. So, sounds good to me.”

ELECTRIC DEPARTMENT: DISTRIBUTION Update

General: Electric personnel have been doing many line locates, customer service requests, tree trimming, shop maintenance, preventative line maintenance, street light maintenance, and vehicle and equipment maintenance.

Personnel – Training: Superintendent Schneider, “The apprentice linemen are testing.”

Maintenance: Superintendent Schneider, “We have been doing some shop and vehicle maintenance.”

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Coffey County Jail Project: Superintendent Schneider, “We have been contacted by the gentleman building the courthouse addition. They are finally getting ready to where they are going to need temporary service on the south side of the project. So, I suspect in the next few days we're going to get that taken care of.”

Call Out: Superintendent Schneider, “Line crew worked one. Call out since last Council, and I believe it was Monday evening of this week, over on North 1st Street, the trailer park. A customer was out of service, the lady tried her very best and did not have power. We got there. There was a GFCI that she wasn't familiar with that tripped on the pedestal. She was the only customer affected, and we got her right back to service really quick.”

ELECTRIC DEPARTMENT: PRODUCTION Update

General: Power plant personnel have been performing normal power plant and equipment maintenance, over current relay maintenance, plant reports, DC power supply, and substation maintenance.

Reports: Superintendent Schneider, “We're completing plant reports. We have completed and submitted KDHE reports on kilowatt hours generated from last year.”

KPP Energy – Generation Task Force: Superintendent Schneider, “So, KPP Energy has put together a generation task force. Denny Noonan was asked to serve on that committee. He had his first meeting yesterday. They originally talked about quarterly meetings, but I see he's got one scheduled for next month. I suppose we're trying to get up to speed. So, what that's going to involve is they're going to develop processes, policies, and procedures for improving operation and the availability of KPP member city-owned generation. So, what one of the things they are working on is even our maintenance runs that we do; they're looking at how they will benefit the member cities, like reimbursement on fuel and such. And also with that, with so many new power plant operators throughout the state of Kansas within the pool. There are so many new operators, they are seeing that as a need as a training tool. So, they're discussing those issues. Also, they are developing reporting requirements for generators to ensure compliance with the Southwest Power Pool. That's all I got on that. So, Denny will be active in that.”

Generator Project: Superintendent Schneider, “On the generator project. We did have intercoolers one for each side of the inlet on the generator. There was a leak on each intercooler. Those were sent to Wheeler’s shop. Those are repaired. I'm looking for them to be back at the end of the week, reinstalled, and ready for service prior to next Tuesday, when they're going to do their final checking of the system. I guess. So, they have run it, and it does run very well. They'll have a lot of short runs. Then, our next step is to schedule a time with KPP Energy to do an extended run on that. Run it at full capacity and make sure everything's running as it should. The aggregate study has been completed through SPP. We have all the paperwork and documentation, and we also have documentation from Evergy that is also confirming that we are 100% in compliance with this new generator and with no restrictions as far as pushing back out on the grid. So, all that paperwork is in place, done, and has been approved.”

Thank you’s: Superintendent Schneider, “The last thing I have is thank you, Nathan, for doing my update. I really appreciate that. Thank you.”

WATER AND WASTEWATER: Distribution Update

General: Personnel have been doing the normal duties: line locates, work orders, reading meters, meter rereads, cleaning sewer lift stations, maintenance on trucks and equipment, attending safety meetings, customer call-outs, and concerns.

Water Leak: Mayor Luke, “Kerri has the update because we have a major water leak on the south side of the town. MT Networks, I think, hit a 12-inch line.” Deputy City Clerk Weltha, “Yes, and they did state that it will be off until further notice. There is no update on it for a projected time frame. But they'll keep us updated as they can.”

Equipment Maintenance: Deputy City Clerk Weltha, “They've been working on this SCADA system with Jim Morrison. C&B Equipment has been here servicing the lift stations.”

Coffey County Jail Project: Deputy City Clerk Weltha, “They've still been working with Skillman Construction and River City to get the water service set up at the new jail.”

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WATER AND WASTEWATER: Production Update

General: Normal duties.

STREET DEPARTMENT: Update

General: Personnel have been doing the normal duties: cleaning ditches, sweeping curb and gutter, fixing potholes and ruts, blading rock roads, repairing and re-rocking alleys, tree trimming, fixing and replacing street signs, and truck and equipment maintenance.

Tree Trimming: Superintendent Davidson, “We have been trimming street trees along Sixth Street for our upcoming mill and overlay.”

KMU Safety: Superintendent Davidson, “We attended the monthly safety meeting.”

Rock Supply: Superintendent Davidson, “We've been bringing in more rock for our stockpile. We brought in 120 tons of ice control chips from Gas City for a little fill-in for a day.”

Hazardous Trees: Superintendent Davidson, “We remove some hazardous trees at the corner of 2nd and Des Moines.”

6th & Allegheny Project: Superintendent Davidson, “We also received the culverts for the 6th and Allegheny project. We're doing away with the existing dip. That is in conjunction with Danny's new waterline project.”

City Wide Clean Up: Superintendent Davidson, “We finished up trash cleanup yesterday about a quarter after four. We hauled 21 loads of solid waste for a total of 21.5 tons of solid waste and 880 pounds of metal. Compared with last year's fall cleanup, we had 13.83 tons of solid waste. We still have people putting out paint, tires, bags of dog feces, dead animals, lots of plastic bags, and brush. We had people putting out one small item, such as a two-gallon plastic container, for us to pick up. We did pick up two hot tubs this year. About 70% – 80% of this could have all been put in their regular weekly trash. Where they pick up large items such as couches and chairs, there was an ungodly amount of mattresses this year. Just an update on that.”

2024 Street Improvements Projects: Superintendent Davidson, “Yesterday, thank you to Mary. She and I sat in on the bid openings for the Street Improvements 2024 project. We had three bidders: Killough Construction, Bettis Asphalt, and APAC Kansas Shears Division. I ask that the bids be bona fide.”

Council Member Curtiss, “I move to accept the bids as bona fide.” Council Member Van Horn, “I second the motion.” Hearing no further discussion, Mayor Luke called for a vote. Motion unanimously carried, 6:0.

Superintendent Davidson, “Then, I would like for you to accept the bid from Killough Construction for \$349,884.60.”

Council Member Curtiss, “I move to award the Street Improvements Project 2024 to Killough Construction as presented, not to exceed \$349,884.60, as being in the best interest of the City of Burlington.” Council Member Strawder, “I second the motion.” Hearing no further discussion, Mayor Luke called for a vote. Motion unanimously carried, 6:0.

Superintendent Davidson, “Just to clarify when we send out bids, I did do the Cross Street project within the specific time frame that we had to have it done. Killough’s will fall in between June 17th and July 19th, which will fall in that time frame for the school. For the South 6th Street project, I'm basically letting them come in at their convenience. We have had a very good working relationship with them. They will come in, do some, and then leave, but we always get a very good finished product from them.”

QUESTIONS/COMMENTS

Council Member Strawder, “On the 6th and Allegheny project, the dips are coming out and going in with the piping-- (inaudible).” Superintendent Davidson, “There will be a culvert put in, new curb and gutter, catch boxes, and it will be smooth going east and west on Allegheny.” Mayor Luke, “The water lines are going to be relocated.” Superintendent Davidson, “And this is all being paid for with the ARPA funds.”

POLICE DEPARTMENT: Update

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General: Sergeant Stuart, “Normal duties. Chief would have been here tonight. He had teeth extracted yesterday, and he didn't do too well with that. He asked me to come down and give the report.”

Activities/ Cases: Sergeant Stuart, “Nothing really new with the Police Department.”

Nuisance: Properties/Vehicles Update: Sergeant Stuart, “We have kind of been holding back on nuisance properties. We have been advising people to get their junk to the curbs so it can be picked up with City cleanup. We've been telling them what they need to do and how they need to do it. Some took advantage of it, and some did not. We will be out after those who did not here pretty quick.”

Personnel – Vacation Time: Sergeant Stuart, “The only thing I have for consideration is that the council had extended my vacation out until April 1st, I believe, as well as a couple of others. I allowed my guys to take vacation as they needed it. I did try to get my hours in. Unfortunately, I did not meet that requirement. I was supposed to use 30 hours of vacation this last week, and then turned around Monday morning and had an SRT callout, which lasted all day. So, I bought almost 12 hours of that back. I am asking the council to allow me to extend my vacation for another 30 days so I can get it taken care of in the month of April. Thank you.” Mayor Luke, “How many hours is that, Randy?” Sergeant Stuart, “I'm going to say it's pretty close to 70, if not as much as 80.” Mayor Luke. Okay. What is the governing body's pleasure?”

Council Member Curtiss, “I move to approve Sergeant Stewart to extend his 2023 vacation period to be concluded by the end of April 2024.” Council Member Ernst, “I second the motion.” Hearing no further discussion, Mayor Luke called for a vote. Motion unanimously carried, 6:0.

PARKS DEPARTMENT: Update

General: Personnel have been doing the normal duties: cleaning public restrooms and buildings, and building and equipment maintenance.

Tree Trimming: Superintendent Boyce, “We've been doing tree limb cleanup after the wind in the parks.”

Mowing: Superintendent Boyce, “We have been mowing and spraying weeds in the gravel areas.”

Seasonal Restrooms: Superintendent Boyce, “This week, we have been turning on the water in the seasonal restrooms and campsites. Probably next week, we will do Veterans Park, and the Caboose, the stadium, and Jones Park will be turned on next week.”

Beautification Project: Superintendent Boyce, “The flowers are ordered. Hopefully, they have the pre-planting done on the hanging baskets. May 8th is the scheduled planting day in the concrete plots on Neosho and on Highway 75. May 9th for a rain date.”

FINANCE: Claims Ordinance & Payroll Ordinance

a. Claims Ordinance	2024-06	\$	<u>151,102.26</u>
b. Payroll Ordinance	2024-06	\$	<u>105,297.13</u>
	TOTAL	\$	<u>256,399.39</u>

CLAIMS 2024-06: Council Member Curtiss moved to approve City of Burlington Claims Ordinance 2024-06 for the amount of \$151,102.26 for payment of city bills. Council Member Ernst gave the second. Deputy City Clerk Weltha, “The larger expenses we have tonight are C&B Equipment \$15,536.07, Contact \$11,607.20, Daves Pumping \$3,231.00, Hawkins Inc., \$7,330.00, and Stanion Wholesale \$22,767.88.” **Hearing no discussion, Mayor Luke instructed City Clerk Brown to poll Council for a vote. Mayor Luke declared, “Claims Ordinance 2024-06 passed, 6:0.”**

PAYROLL 2024-06: Council Member Curtiss moved to approve City of Burlington Payroll Ordinance 2024-06 in the amount of \$105,297.13, as presented. Council Member Ernst gave the second. **Hearing no discussion, Mayor Luke instructed City Clerk Brown to poll Council for a vote. Mayor Luke declared, “Payroll Ordinance 2024-06 passed, 6:0.”**

PLANNING & ZONING: Update

General: Zoning Clerk Hugunin, “Normal duties.”

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Permits: Zoning Clerk Hugunin, “I have been busy with permits and phone calls.”

Map Room: Zoning Clerk Hugunin, “I have been working on the map room that closet in there. We ordered some shelves, so I can start getting all the maps moved from upstairs at the old place, get them in here, get them laid out, and map plans. We're going to go through them; there are several. Mary kind of looked up on the internet on some of this, and we are still researching it, but there are several old plans that we can send off. I'm going to see if we can send them to the library here because the structure is not here anymore. We don't need to keep them on file, but everything else is indefinitely. There are certain things we can do, so we're going to be going through all that.”

Training: Zoning Clerk Hugunin, “I attended some training last week.”

City Wide Clean Up: Zoning Clerk Hugunin, “Then I helped with clean up on Monday.”

QUESTIONS / COMMENTS

Arbor Day: Council Member Van Horn, “What's happening with Arbor Day? It's still going to be the 24th.” Zoning Clerk Hugunin, “Yes, that's our plan. Kevin's still looking at the site, so I can get it advertised, and we will go from there.”

OTHER COMMITTEE OR COUNCIL BUSINESS

LEGAL DEPARTMENT: Update

General: Attorney Wright, “Normal duties. The city has kept me busy with reviews of different things, but I don't have anything specific unless anyone has anything for me.”

CITY CLERK: Update

General: City Hall staff have been busy with customers paying utility bills, many calls and inquiries, preparing work orders, vouchers for bill paying, payroll, and council meeting minutes.

Sewer Averages: Deputy City Clerk Weltha, “The new sewer averages were just calculated. Those are getting ready to go on the new bills.”

Insurance: Deputy City Clerk Weltha, “Anne and I met with Kimberly from TrustPoint on Thursday, March 21st, to review the city's annual insurance policy. We only had a 17% increase compared to last year's 22.5% increase, largely due to the new generator. Work comp had a decrease.”

Annual League Conference: Deputy City Clerk Weltha, “For the League Conference, I handed out receipts for your room reservations for those that are going to that. If you don't have a book tonight, you will get one at the conference itself.”

Personnel Policy Manual: Deputy City Clerk Weltha, “Then you also have the new policy handbooks. Me and Mary will try to get the receipt of those collected tonight before you guys leave.”

MAYOR'S COMMENTS:

Retention of the Alligator Snapping Turtle in the Neosho River Research Team: Mayor Luke, “The only thing I have, back almost a month and a half ago, there is an organization for the retention of the alligator snapping turtle in the Neosho River Research team. They want to have access to the river from our property at the city dam or Kelly Park so that they can go in and track the snapping turtles moving up and down the Neosho River as they are monitored with monitors they have. They believe they are possibly going extinct and have asked if we would agree to allow them to do so. I gave the agreement to Philip, he and I have gone through it, and I don't think we have any issues with it. The only issue is the state statute that provides us with the security of knowing that they can't go after us for anything with respect to legal or any liability. They have mostly grad students and researchers who would be doing any and all of the work.

“So, the question I have for you is, are you interested in at our next meeting approving and working into allowing them to enter the river from our property at either the city dam or at Kelley Park? And if so, then I will get the actual agreement from them and possibly have them here to answer any questions you might have?”

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Council Member Curtiss, “Would we designate where they would go in, or would they go in both places?” Mayor Luke, “They would go both places.” Council Member Ernst, “How long are they wanting to do it for?” Attorney Wright, “Indefinite.” Mayor Luke, “Yeah, it’s indefinite because they’ve got the alligator snapping turtle, plains minnow, silver chub, hornyhead chub, butterfly mussel, fluted-shell, cylindrical papershell, and the flat floaters. But anyway, that’s the covered species that they are looking to ensure that does not go extinct. But I did not want to even go forward with this until I made sure that we were on legal grounds to do so.” Council Member Berryman, “Could you run the list again, Stan?” Mayor Luke, “No. So it’s a matter of whether I get in touch with Trevor to say, no, everybody’s not interested, or yes, come to our next meeting. And if they have questions, they can answer better than I can.”

Council Member Strawder, “Is there anything restricting them from accessing the river on our property?” Mayor Luke, “They are trespassing if they do.” Council Member Strawder, “Okay, and that’s the same for the general public?” Mayor Luke, “Yes.” Council Member Strawder, “Are there any designated boat ramp areas currently that allows access?” Mayor Luke, “At the city dam.” Attorney Wright, “It’s not a boat ramp.” Mayor Luke, “There is access to the river there. They can drive right down to it and put a boat in if they so choose. Just north of where we have our burn pile.”

Superintendent Boyce, “When he talked to me, he was going to also be in contact with the adjacent owners so everybody between the City Dam and Kelley Park to allow access going through their property.” Mayor Luke, “To move up and down the river that’s not our jurisdiction. That’s up to them.” Council Member Mays, “I would like to hear a little bit more.” Council Member Ernst, “I don’t see a problem.” Council Member Curtiss, “I don’t either.” Mayor Luke, “I will get in touch with Trevor and see if he or one of his researchers would bring up an official agreement because this is a draft or template.”

Old Sewer Lagoon: Mayor Luke, “The Strawder property is at the closing agents. She and he are in discussions, once they get everything resolved between them, then we will sign the documents and receive the funds. It is out of our hands at this point in time.”

REPORT BY CITY OFFICERS:

FUTURE AGENDA ITEMS:

GENERAL: City Debt - How to fund projects Expense Tracking on Projects Budget 2024	GAAP - Infrastructure Capitalization City/County Grant Funds – Discussion on Matched Funding Council Discussions on Evaluations, Succession Planning, etc.
ELECTRIC DEPARTMENT: Power Plant - Additional Generation	<i>RICE NESHAP Compliance</i>
PARKS DEPARTMENT: Events in Parks (Updates)	
LEGAL DEPARTMENT: Municipal Court Updates	Misc. Legal - Documents, Cases, Contracts, etc.
PLANNING AND ZONING Work with Advantage Computers and City Departments to improve Cyber Security Nuisance Grass: Work with PD FIRM Floodplain Map Changes – Updates	Quarterly Construction Valuation Report Prepare Easements for any City-owned property without one Permits - Building/Zoning/etc. Burlington Corporate Boundary Updates on Map (Work with State)
POLICE DEPARTMENT Nuisances (Work with Zoning Clerk) Voice Stress Analyzer Project	Department Activities and Cases
STREET DEPARTMENT: Concrete St. Repairs/Free State Ct. Replacement/Repair Pavement Management System/Asset Management System	Street improvement Plan, Paving Gravel Streets, Crack Filling, Street Improvements 2024 Asphalt Project
WATER & WASTEWATER DEPARTMENT: Sewer Lagoon Maintenance/	Sensus Water Meter Replacement Sewer Liftstations –Flushing Rags, etc. Sewer Lagoons - Analysis (KRWA/funds for dredging)

Mayor Luke declared the meeting adjourned.

Approved by the Governing Body and signed by Anne C. Brown, City Clerk