

FRIDAY

MARCH 05, 2021

The Governing Body of the City of Pratt met in Recessed workshop/training session in the Commission Room located at City Hall.

PRESENT:	Gary Schmidt	Mayor
	Don Peters	Commissioner
	Zach Deeds	Commissioner
	Jeanette Siemens	Commissioner
	Kyle Farmer	Commissioner

ALSO PRESENT:	Bruce Pinkall	City Manager
	Regina Goff	City Attorney

**CALL TO ORDER:**

The workshop/training session was called to order by Mayor Schmidt. The Mayor noted that all Commissioners were present.

**BUSINESS:**

**CONSIDERATION AND APPROVAL OF RESOLUTION 030521 AUTHORIZING THE CITY OF PRATT, KANSAS TO APPLY FOR THE CITY UTILITY LOW-INTEREST LOAN PROGRAM FOR THE PURPOSE OF OBTAINING A LOAN FROM THE STATE OF KANSAS TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021:**

City Attorney Regina Goff informed the Commission that these documents were drafted by Gilmore and Bell and we had worked with them before. Ms. Goff stated that the first one that they needed to address was Resolution 030521, which authorizes the City to apply for the utility low-interest loan program for the purpose of obtaining a loan from the State of Kansas to finance extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021. Ms. Goff explained that the resolution goes through all of the things that they had gone over with Director of Electric Utilities Huber earlier including the annual budget associated with electric costs of \$6,100,000. Ms. Goff commented that, as of this date, the City estimates an obligation to pay \$4,100,000 in electricity just for February 2021. Ms. Goff stated that the Governor had signed a bill into law on March 3rd that would allow the cities to utilize this low interest loan program; therefore, the City was asking to borrow funds not to exceed \$3,760,000 from the State through this low interest loan program to pay for the extraordinary electric costs for our City since we were on a cash basis. Ms. Goff added that we could not have indebtedness beyond what we had on hand, so this legislation addresses that and that the interest rate would be 2% below the market rate currently. Ms. Goff stated that it would be 0.25% and that would be revisited at the first of every year and we were asking for the loan term to be ten years in 120-month payments. Commission Peters questioned if any Federal money the City received would have to go directly to the principle of this loan. Ms. Goff stated that that was correct.

With no further discussion, the following Resolution 030521 was presented to the Commission for their approval: **A RESOLUTION AUTHORIZING THE CITY OF PRATT, KANSAS TO APPLY FOR**

**THE CITY UTILITY LOW-INTEREST LOAN PROGRAM FOR THE PURPOSE OF OBTAINING A LOAN FROM THE STATE OF KANSAS TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021.** Commissioner Farmer made a motion to approve Resolution 030521 authorizing the City of Pratt to apply for the City utility low-interest loan program for the purpose of obtaining a loan from the State of Kansas to finance extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021. The motion was seconded by Commissioner Siemens. Mayor Schmidt took a roll call vote-Commissioner Peter-aye; Commissioner Farmer-aye; Commissioner Deeds-aye; Commissioner Siemens-aye; Mayer Schmidt-aye. The motion and second passed unanimously.

**CONSIDERATON AND APPROVAL OF ORDINANCE 2104 AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF PRATT, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS STATE TREASURER FOR THE PURPOSE OF OBTAINING A LOAN PURSUANT TO THE CITY UTILITY LOW-INTEREST LOAN PROGRAM TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.**

City Attorney Goff stated that this ordinance authorized the execution of a loan agreement between the City of PRATT, Kansas and the State of Kansas, acting by and through the Kansas State Treasurer for the purpose of obtaining a loan pursuant to the City utility low-interest loan program to finance extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021; establishing a dedicated source of revenue for repayment of such loan; authorizing and approving certain documents in connection therewith; and authorizing certain other actions in connection with the loan agreement. Ms. Goff commented that this ordinance basically allows for the agreement of the execution of the resolution that was just approved.

With no further discussion, the following Ordinance 2104 was presented to the Commission for their approval: **AN ORDINANCE AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE CITY OF PRATT, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS STATE TREASURER FOR THE PURPOSE OF OBTAINING A LOAN PURSUANT TO THE CITY UTILITY LOW-INTEREST LOAN PROGRAM TO FINANCE EXTRAORDINARY ELECTRIC AND/OR NATURAL GAS COSTS INCURRED DURING THE EXTREME WINTER WEATHER EVENT OF FEBRUARY 2021; ESTABLISHING A DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF SUCH LOAN; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT.** Commissioner Deeds made a motion to approve Ordinance 2104 authorizing the execution of a loan agreement between the City of PRATT, Kansas and the State of Kansas, acting by and through the Kansas State Treasurer for the purpose of obtaining a loan pursuant to the City utility low-interest loan program to finance extraordinary electric and/or natural gas costs incurred during the extreme winter weather event of February 2021; establishing a dedicated source of revenue for repayment of such loan; authorizing and approving certain documents in connection therewith; and authorizing certain other actions in connection with the loan agreement. The motion was seconded by Commissioner Farmer. Mayor Schmidt took a roll call vote-Commissioner Peter-aye; Commissioner Farmer-aye; Commissioner Deeds-aye; Commissioner Siemens-aye; Mayer Schmidt-aye. The motion and second passed unanimously.

**ADJOURN:**

Mayor Schmidt made a motion to adjourn. The motion was seconded by Commissioner Farmer. The motion and second passed unanimously.

APPROVED BY THE MAYOR:

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GARY A. SCHMIDT, Mayor



ATTEST:

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LUANN KRAMER, City Clerk