

THURSDAY

August 26, 2021

The Governing Body of the City of Pratt met in Recessed Session in the Commission Room located at City Hall.

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

ALSO PRESENT:	Bruce Pinkall	City Manager
	LuAnn Kramer	City Clerk
	Brent Carver	Finance Director (Remotely)
	Regina Goff	City Attorney

CALL TO ORDER:

The recessed meeting was called to order by Mayor Schmidt. The Mayor instructed the City Clerk to note that all Commissioners were present with the exception of Commissioner Farmer.

Mayor Schmidt reminded the audience that this meeting may be taped and/or recorded.

BUSINESS:

CONTINUED DISCUSSION ON 2022 PROPOSED CITY OF PRATT BUDGET:

Mayor Schmidt stated that he had met with City Manager Pinkall, City Attorney Goff and Finance Director Carver last week for information purposes only. Mayor Schmidt commented that it was very informative and Mr. Carver had ideas on how to make some changes in communication within the budget. Mayor Schmidt stated that there was a bid for a new truck on the agenda and he assumed that there was revenue put away for that; however, this would be a good example of how it would take place if we did not have budgeted money.

Mr. Carver stated that Public Works Director Rambat had talked to him and this was a piece of equipment that they had put money back for and it was in the permanent notes. Mr. Carver commented that there were things that come up in the middle of the year and former Finance Director Garten may have kept all that information on her end, but did not share how she came up with her numbers and how the budget looks. Mr. Carver explained that, working closer with Mr. Rambat, he needed to change his plans to buy a piece of equipment now and that communication needed to be there.

City Manager Pinkall stated that Mr. Rambat and Director of Electric Utilities Huber would like to know where that money was at and would like that communication piece to get them involved with the big picture. Mr. Carver commented that he would share monthly reports that would show what it looked like at that time and what was in the equipment reserve fund. Mayor Schmidt asked how we would go about transferring funds if they had not set aside the funds. Mr. Carver stated that he would most likely look in the general fund, but he would have to look at the rules. Mayor Schmidt clarified that you could transfer revenue into the general fund, but could not expenses because that was regulated by budget authority. Mr. Carver stated that that was correct. Commissioner Deeds commented that that was the reason for contingency 'fluff'. Mr. Pinkall stated that it was. Commissioner Deeds added that that way we did not

get too skinny on what we just did. Mr. Pinkall stated that the big picture was that they buy things before they need them, so putting off a purchase last year would make it a reality this year. Mayor Schmidt asked if we would not have to amend the budget if we raised the rates for various enterprise funds. Mr. Carver stated that the State had given him some guidelines on how to do that and when was a good time.

City Attorney Goff asked how we were looking now. Mr. Carver stated that we were following the trend of being thrifty and, as of August, we looked normal. Mr. Carver commented that, what the department superintendents had asked for in their 2022 budgets, they had gotten. Mr. Carver stated that he had maximized his budget authority as high as possible. Mr. Carver explained that he had a line item called cash reserves or cash carry over and any revenue left over in a department budget would increase the budget authority. Mr. Carver commented that, if we spend what we usually do, we will have saved money for the next year. Mr. Carver added that this Ms. Garten did this when there was money left over to maximize the budget authority. Mr. Pinkall stated that you could see that on the Notice of Budget Hearing on the 2022 proposed budget and see that the total budget is \$24,154,798. Mr. Pinkall stated that that was up a little from last year.

Commissioner Deeds commented that we had a great habit of being fairly frugal all throughout the year and access later in the year and that was a fail safe that we have in place. Commissioner Deeds asked Mr. Carver if he was still comfortable with where we were in 2021 knowing that we still had some room for later in the year to make adjustments. Mr. Carver stated that he was and that the departments counted on those monthly reports to see where they were at. Mr. Pinkall stated that Mr. Carver was just about there and they would have a clearer picture of where we were at. Mayor Schmidt asked how the budget authority of both years were affected when a piece of equipment was approved in one year and paid for in another year. Mr. Carver stated that it would affect the current year and they were usually purchased out of capital equipment reserves. Mr. Carver explained that there was no budget authority for those reserve funds. Mr. Pinkall added that we do earmark that amount of money what was going to go there.

Mr. Pinkall stated that the numbers on the Notice of Budget Hearing had gone up, because Mr. Carver had maximized our cash reserves to give us more budget authority. Mr. Pinkall commented that he thought that we were \$500,000 to \$600,000 higher than we had talked about earlier. Mr. Pinkall stated that that did not change the mill levy from 52.163. Commissioner Peters asked Mr. Carver if he knew where our cash reserves would be at the end of 2021. Mr. Carver stated that he did not know for sure; however capital equipment reserves and capital improvement funds were similar. Mr. Carver explained that it would be whatever was in it plus whatever we move over into it. Commissioner Peters asked if he was comfortable with the increase in the valuation and the increase in sewer and sanitation. Mr. Carver stated that he was.

- **Grant money:**

Mayor Schmidt asked how the grant money of \$998,000 was going to fit in and if there were some restrictions. Mr. Carver stated that you did not have to budget for it every year and you spend what you need. Mr. Pinkall added that there were some limitations on what you could spend it on. Mr. Pinkall commented that it could be used to alleviate the Main Street waterline 2% and then that payment and interest could be visualized in the water department. Commissioner Deeds commented that the water department had the most strain on their budget. Mr. Pinkall stated that they had a lot of big plans, such as getting more new meters so that readings were more accurate, which would bring in more revenue. Mr. Carver stated that if we paid off that loan that had nine more years on it, we would put that money back into the water departments budget.

- **Cross training:**

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Mayor Schmidt stated that Ms. Garten was the only one that had any grasp of the accounting system we were using. Mayor Schmidt commented that at least one other person within the staff should know the system. Mr. Pinkall stated that Ms. Garten's situation was scary to us and we need to be aware and not let that happen again. Mr. Pinkall added that would be for all departments.

- **Others:**

Mr. Carver discussed some of the others monetary donations that had been discussed earlier as follows:

- Hope Center \$550 per month from \$700
- Youth Core Ministries \$150 per month from \$300
- Pratt Area Econ. Dev \$30,000 annually (\$7,500 per quarter) to match Pratt County's quarterly payment, but set aside the other \$30,000 per year in its own line item, for the purpose of the City's use.

DISCUSSION ON PUBLICATION DEADLINES:

Mr. Pinkall stated that the deadlines and timelines were as follows:

- August 26, 2021 Approve the publication of the 2022 Proposed City of Pratt Budget Hearing and the publication of the 2022 Proposed Revenue Neutral Rate Hearing.
- August 27, 2021 Get Publications to the Hutchinson News for publications by September 01, 2021.
- September 11, 2022 Made the 10-day deadline to have hearing published.
- September 13, 2022 Special Call Meeting for 2022 Proposed City of Pratt Revenue Neutral Rate Hearing at 5:00 p.m. and the 2022 Proposed City of Pratt Budget at 5:00 p.m.

With little discussion on the deadlines, Commissioner Deeds made a motion to approve the publication for the 2022 Proposed City of Pratt Budget Hearing on September 13, 2021 at 5:00 p.m. in the Hutchinson News. The motion was seconded by Commissioner Siemens and carried unanimously.

Mayor Schmidt made a motion to approve the publication for the 2022 Proposed City of Pratt Revenue Neutral Rate Hearing on September 13, 2021 at 5:00 p.m. in the Hutchinson News. The motion was seconded by Commissioner Deeds and carried unanimously.

CONSIDERATION AND APPROVAL OF BID FOR A PICKUP FOR THE WASTEWATER TREATMENT PLANT:

Mr. Pinkall stated that the wastewater treatment plant was in need of a new truck and Public Works Director Rambat had checked with local dealers and there were none that were readily available. Mr. Pinkall commented that he had found one at Eddy's Chevrolet in Wichita and they were willing to put steel wheels on it to make it look less attractive to the public. With little discussion, Commissioner Deeds made a motion to approve the purchase of the bid from Eddy's Chevrolet for a 2021 Chevrolet 4WD Crew Cab Truck for \$40,917.43. The motion was seconded by Commissioner Siemens and carried unanimously.

ADJOURN:

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Mayor Schmidt made a motion to adjourn that was seconded by Commissioner Deeds. Motion and second passed unanimously.

GARY A. SCHMIDT, Mayor



ATTEST:

LUANN KRAMER, City Clerk