



CITY OF LYONS

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Proponent Testimony Provided to the
House Financial Institutions and Rural Development Committee
March 3, 2021

Chad Buckley, City Administrator for the City of Lyons

In Support of House Bill 2429

Mr. Chairman, Vice-Chair and Ranking Member,


The City of Lyons strongly supports House Bill 2429. The legislation would provide an urgently needed tool for many municipal utilities to respond to the significant financial strain caused by the February extreme winter weather event.

Below are points of the bill:

- HB 2426 would create a low-interest loan program from which a city could borrow from the State in order to cover the extraordinary costs related to the extreme weather crisis which impacted the Midwest in February.
- Bill would allow for community owned electric or natural gas utilities to utilize the low-interest low program.
- The loan could be paid back over a 10-year period, with an interest rate 2% below the market rate as per K.S.A. 75-4237.
- The loan cannot be used for normal operating expenses.
- If federal funding is made available related to the extreme weather event, those funds will be used to repay this loan.

The City of Lyons has a population on an average of 3700. Of this population, according to our last survey, 16.9% of our population is at poverty level, and 2.9% of our total population are unemployed. Our normal gas bill is \$75,000. According to our gas supplier our next bill will be \$3,300,000. This is an increase of 4400%. We can assist our consumers by doing things like level payment programs, however, the initial out of pocket expense will be the burden of the City.

In carrying this burden other places in the budget will need to be cut back like road maintenance, utility maintenance and labor costs. If road maintenance is not accomplished our citizens will suffer with possible vehicle damage. If utility maintenance is cut back our drinking water could be in jeopardy or our fire hydrants could go unchecked causing a



potential danger to homes and businesses in our community. If labor costs have to be cut this could mean less jobs for our citizens causing the unemployment rate of our City to increase and our citizens not being able to pay their bills which in turn causes the issue to prolong. This is a vicious circle with no end in sight. HB 2429 can soften some of these realities and allow our City to move forward to protect and provide for our citizens.

Thank you for your consideration and we urge your support of HB 2429.