

A regular meeting of the City Council of the City of Iola was held on November 14, 2011 at 6:00 p.m., at the Riverside Park Community Building, 600 S State, Iola, and Kansas.

CALL MEETING TO ORDER

Mayor Shirley called the meeting to order at 6:00 p.m.

ROLL CALL

Mayor Shirley, Council Members Becker, Kilby, Wicoff, Rowe, Stewart, Callahan, French and Franklin were present. Also present were Administrator Slaugh, Attorney Apt and City Clerk Hutton.

REVIEW & APPROVAL OF AGENDA

A motion was made by Council Member Becker to approve the agenda-adding item A. under New Business Sales Tax Agreement with the hospital and deleting item D. under new business Medical Benefit Policy Review. Motion seconded by Council Member Stewart. The vote was eight ayes.

PUBLIC COMMENTS

- Donna Houser thanked Attorney Apt for his explanation of the Brigham vote difference. Would like to see that item settled for the good of Iola. Commended the electric crew for putting up the Christmas lights.
- Holly Slawkoski thanked Mr. French and Mr. Rowe for having a town hall forum, encouraged others to follow suit. The forum encouraged the council members to have standing committees that way the public and the rest of the council members know about the meetings.
- Bob Shaughnessy was present to ask for tax abatement on a restaurant he is building for his soon on North State Street. Mayor Shirley encouraged Mr. Shaughnessy to meet with Administrator Slaugh later this week.

CONSENT AGENDA

A. Minutes Approval – October 24, 2011 & November 7, 2011

B. Appropriations Approval – 2011-21

C. Personnel Actions –

- Chad Beasley – Street & Alley – Annual Evaluation
- Jacob French – Fire Department – Resignation

D. Board Appointments

- Ray Shannon – Public Housing Authority Board – Reappointment
- Dorothy Saxton – Public Housing Authority Board – Reappointment
- Roberta Shirley – Tree board – Reappointment
- Sharla Miller – Recreation Advisory Board – Reappointment

- Randy Weber – Recreation Advisory Board – Reappointment
- Roxanne Hutton – Convention & Tourism Board – Reappointment
- Beth Ann Turner – Convention & Tourism Board – Reappointment
- Glenda Creason – Convention & Tourism Board – Reappointment
- Steve Garver – Convention & Tourism Board - Reappointment

Council Member Franklin inquired about the cement blocks that were purchased. Administrator Slaugh informed her that these were for the cemetery stones that the park department. Council Member Franklin then inquired about the payment to Via Christi for the mammograms for the health fair and wondered if the city had checked with the local hospital for the health fair. Administrator Slaugh noted that the committee had checked with the local hospital and they were within \$100 of Via Christi therefore ACH will be doing the health fair for the employees in 2012. Motion made by Council Member Stewart to approve the Consent Agenda. Motion seconded by Council Member Franklin. All in favor. Motion carried.

ROUNDTABLE

A. Special Audit Discussions – Administrator Slaugh noted that he had sent out eight RFP's obtained from the State's website. Three responses were received. Lowenthal, Webb & Odermann's bid was \$31,650, Berberich Trahan & Company's bid was \$11,250- 15,000, and Swindoll, Janzen, Hawk & Loyd, LLC's bid was \$56,020. Council Member Becker stated that he didn't feel the city should be spending the money on this audit. Council Member Callahan would like copies of the proposals to compare them; didn't think that it would be a good idea to use Lowenthal, Webb and Odermann since they have performed the cities audit for the past three years. Council Member Rowe wondered why there was such a price difference and wanted to review the proposals and make a decision at the next meeting. Council Member Wicoff suggested that the reason for the price difference was the number of hours each one is proposing to spend as spelled out in the information. He also stated that he didn't feel that this was a good use for taxpayer's funds especially since the governing body had approved the audits for the previous years. Council Member Rowe made a motion to table this item until the November 28th meeting. Motion seconded by Council Member Franklin. In favor of the motion were council members: Rowe, Callahan, Kilby, Stewart, Franklin and French. Voting against the motion were council members: Wicoff and Becker. Motion passed by a majority vote.

NEW BUSINESS

A. Sales Tax Agreement with the hospital –

EXECUTIVE SESSION – Attorney / Client 6:17p.m. K.S.A.75-4319

Motion was made by Council Member Rowe and seconded by Council Member Stewart to recess into “Executive Session” for the purpose of conducting a meeting to discuss Attorney/ Client Matters. Voting in favor of the motion were council members: Rowe, Callahan, Kilby, Stewart, Franklin and French. Voting against the motion were council members Wicoff and Becker. Motion carried with a majority vote. Present: Mayor Shirley, Council Members, and Attorney Apt. The open meeting to resume in the Commission Room at 6:32 p.m.

EXECUTIVE SESSION – Attorney / Client 6:32p.m. K.S.A.75-4319

Motion was made by Council Member Kilby and seconded by Council Member Wicoff to recess into “Executive Session” for the purpose of conducting a meeting to discuss Attorney/ Client Matters. Voting in favor of the motion were council members: Rowe, Callahan, Kilby, Wicoff and Becker. Motion carried with a majority vote. Present: Mayor Shirley, Council Members, and Attorney Apt. The open meeting to resume in the Commission Room at 6:47 p.m.

Following the executive session Council Member Stewart reading from a prepared statement made a motion to approve the Sales Tax Disbursement agreement and authorize the mayor to execute the same, contingent upon the terms of the agreement entered into by and between the City of Iola and Allen County, which was drafted and approved by the county dated August 31, 2010. Motion seconded by Council Member Rowe. All in favor. Motion carried.

- B. Bowlus Fine Arts Center Request** – The Bowlus is requesting permission to build a water fountain on the lawn in front of the facility. The fountain will be built on the city’s right-of-way. The fountain will replace a bush that is currently there. Council Member Stewart made a motion to approve the request from the Bowlus to place the water fountain on the city’s right-of-way. Motion seconded by Council Member French. All in favor. Motion carried.
- C. Wartsila Control System - Discussions** – The computer control system for the Wartsila engines was projected for replacement in 2012. The final quote for the upgrade is \$148,148.00 of which \$70,000.00 was budgeted from the original price quote. Council Member Rowe questioned why the price had jumped. Power Plant Superintendent Mike Phillips stated that the original price had come from Wartsila in the US and the second quote came from the main company in Finland. Council Member Rowe questioned where the money would come from since it was not budgeted. Administrator Slauch noted that it would have to come from electric reserves out of the 2012 budget. Council Member Rowe questioned whether this had to be done right away. Mike Phillips stated that the current system was 14 years old and was being phased out and some of the replacement parts are no longer available. Council Member Wicoff asked what the risk is if the work is not done? Mike Phillips stated that the system

could fail totally and there may or may not be parts available. Administrator Slaugh stated that the manufacturer's recommendation is to do it now. Council Member French questioned if the city purchased a new Wartsila in the future will this system be compatible. Mike Phillips assured him that it would be. Council Member Becker stated that he felt if the work was postponed it could cause a problem and the price will only increase. Council Member Becker made a motion to move forward with the replacement of the computer control system at a price of \$148,148.00 from the 2012 budget. Council Member Franklin seconded the motion. All in favor. Motion carried.

D. **Bassett Sub Station Improvements**— A contract with Mid States Energy was proposed to install a new transformer, vacuum breaker and relay. The total price for the purchase of the transformer and the cost to Mid States for installation is \$397,705. Administrator Slaugh noted that city crews would perform part of the preparatory work to expand the substation which would create a reduction in the price. Council Member Franklin asked if the city had used Mid States before? Electric Distribution Superintendent Kent Tomson stated they had been used for over twenty years. Council Member Rowe asked if this was a budgeted item. Administrator Slaugh noted that this was not budgeted and would be taken from electric fund reserves in the 2012 budget. Council Member French inquired what the exact savings would be. No definite number could be provided at this time. Wondered if Gates could make a "Good Faith Agreement" that they will remain in the city for a number of years or reimburse our cost of this upgrade. Electric Distribution Superintendent Kent Tomson stated that if this is not taken care of the system may fail next summer. Motion made by Council Member Rowe to enter into the contract with Mid States to upgrade the Bassett substation at the cost not to exceed \$167,855 and to purchase the transformer from Solomon Corporation at a cost of \$229,850. Motion seconded by Council Member Franklin. All in favor. Motion carried.

E. **Medical Benefit Policy Review** – This item was removed from the agenda.

F. **Adult Entertainment License – Renewal** – Ray's Mini Mart at 205 S State Street is requesting renewal on his current license for Adult Entertainment. The fire and police departments have done their inspections and have signed off on the application. Motion made by Council Member Stewart to approve the renewal. Motion seconded by Council Member Kilby. Voting in favor of the motion was council members: Rowe, Callahan, Kilby, Stewart, Becker and Franklin. Voting against the motion were council members Wicoff and French. Motion passed by majority vote.

G. **Cereal Malt Beverage License Application** – El Pueblito's Mexican Restaurant located at 902 North State Street is requesting a license to sell cereal malt beverage. Motion made by Council Member French to approve the application. Motion seconded by Council Member Kilby. All in favor. Motion carried.

H. City Equipment Sale – Discussion - Assistant Administrator Schinstock informed the council that with the arrival of the new digger truck staff is looking at options for selling the old unit. The dealer was only going to give \$6500 for a trade in which seemed low. Staff is looking at an internet auction site called Purple Wave as an option. Purple wave will come to town and take pictures to list on their site. They take their 10% commission from the buyer, therefore it will not cost the city to use the service. The only down fall for the city is that a minimum bid cannot be put on the item. Motion made by Council Member Callahan to have staff list the digger truck with Purple Wave. Motion seconded by Council Member Wicoff. All in favor. Motion carried.

I.

COUNCIL & ADMINISTRATOR REPORTS

A. Mayor Shirley – Commended the Electric Crew for putting up the Christmas lights.

B. Council Member Stewart – None

C. Council Member Callahan – Had a concern about the county not allowing tax abatements for the pharmacy and the storage units and wondered if the city couldn't present it better so that they would approve it. Mayor Shirley suggested he and Administrator Slaugh get together and make another presentation.

D. Council Member Wicoff – None.

E. Council Member Franklin – None

F. Council Member Kilby – None

G. Council Member Becker – None

H. Council Member Rowe – Voiced his concerns about the tax abatement also. Stated he had spoken with a county commissioner who said he would reconsider it if it is presented again.

I. Council Member French – Commented on the recent town hall meeting he and Council Member Rowe had recently. Citizens expressed they would like other wards to do it also.

J. Administrator Slaugh –

- Wanted to defer the COLA increase discussions until after the budget amendments are done. Will present a four-year salary and benefit analysis. Council Member French asked if there was an ordinance that automatically

gave the COLA increases to employees? Administrator Slauch will check into it.

- Will be attending a meeting tomorrow with Scott Shreve and Mike Phillips in Osage City with 15 other cities to discuss power pool options other than the KPP. There really is not a hurry to give the cities two-year notice to terminate the contract with KPP. Council Member Wicoff stressed that he would like to see the proposals that Westar gave to the other council members when they held the meeting. Council Member Rowe wanted to know what the downside would be to giving notice now. None was given. Council Member Callahan made a motion to withdraw from the KPP immediately. Motion seconded by Council Member Rowe. Council Member Wicoff wanted to know when Westar could give a presentation. Council Member Becker wondered why it would hurt if we waited two weeks to postpone withdrawing from KPP. City Attorney Apt informed the council that Westar has an agreement with the KPP and until that agreement is terminated they are not allowed to try to make agreements with the cities that are in the KPP. Voting in favor of the motion were council members: Callahan, Rowe and Franklin. Voting against the motion were council members: Stewart, Becker, Wicoff, French and Kilby. Motion failed by a majority vote.
- Will present budget amendments at the next meeting setting the hearing for December 12th.

EXECUTIVE SESSION – Attorney / Client 7:39 p.m. K.S.A.75-4319

Motion was made by Council Member French and seconded by Council Member Kilby to recess into “Executive Session” for the purpose of conducting a meeting to discuss Attorney/ Client Matters. Voting in favor of the motion were council members Rowe, Callahan, Kilby, Stewart, Franklin and French. Voting against the motion were council members: Wicoff and Becker Motion carried by a majority vote. Present: Mayor Shirley, Council Members, and Attorney Apt. The open meeting to resume in the Commission Room at 7:49 p.m.

DATE / TIME OF NEXT MEETING

City Council Meeting 6:00 p.m. Monday, November 28th, 2011

City Council Meeting 6:00 p.m. Monday, December 12th, 2011

ADJOURNMENT

7:51 p.m. Motion made by Council Member Stewart and seconded by Council Member Kilby to adjourn the meeting. The vote was eight ayes. As the vote was unanimous, the meeting was declared adjourned.

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Approved by the City Council of the City of Iola, Kansas this 28th day of
November 2011.

Mayor, William A. Shirley

City Clerk, Roxanne Hutton