

A regular meeting of the City Council of the City of Iola was held on November 28, 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 Callahan to approve the agenda-moving item C from the consent agenda to the end of the meeting. Motion seconded by Council Member Franklin. The vote was eight ayes.

PUBLIC COMMENTS

- Donna Houser asked the council to reinstate Judy Brigham's benefits. She commented that she is proud of the Christmas lights around town that the city put up.
- Paul Sorenson stated that doing a special audit is a waste of time and money. The community is divided over this issue it will cost too much money. The Council needs to move forward.
- Jean Barber agreed with Paul Sorenson concerning the audit noting that it is a waste of time and money when nothing will be found.
- Angela Johnson and Rachel Harrington from Preferred Family Healthcare wanted to introduce themselves and let the council know that they are in the community offering domestic violence prevention and drug abuse prevention /education.

CONSENT AGENDA

A. Minutes Approval – November 14, 2011

B. Appropriations Approval – 2011-22

C. Personnel Actions –

- Luke Bycroft – Recreation Department – Annual Evaluation
- Roxanne Hutton – City Clerk's Department – Annual Evaluation
- Fill the open position created in the fire department when Jacob French resigned.

D. Board Appointments

- Mary Ann Arnott – Community Advisory Committee – Reappointment
- Sheila Lampe – Convention & Tourism Board - Appointment

Motion made by Council Member Stewart to approve the Consent Agenda without the personnel actions, which will be discussed later in the meeting. Motion seconded by Council Member Kilby. All in favor. Motion carried.

ROUNDTABLE

A. Kansas Power Pool – Administrator Slaugh noted that it would take time to negotiate another contract with a different provider. Attorney Apt asked how many cities have given their notice? Administrator Slaugh thought that to date six cities have given their notice. Attorney Apt noted that KPP has always been slow to move. Council Member Rowe noted that KPP has indicated enough people have said yes to the new contract that they will continue with the plan to purchase the Dogwood facility. Council Member Becker asked what is Scott Shreve’s recommendation? Administrator Slaugh stated that Scott is looking into options for the city. Council Member Callahan stated that the council seems to be hooked on who will service us, however the city cannot seek proposals from others until we give our two-year notice to the KPP. Council Member Callahan made a motion to give a two-year notice to terminate existing agreements with the Kansas Power Pool. Motion seconded by Council Member Kilby. The vote was eight ayes. Motion carried.

NEW BUSINESS

- A. December 26th Council Meeting** – December 26th is a city observed holiday staff is requesting moving the meeting to Tuesday the 27th. Motion made by Council Member Stewart to move the meeting from December 26th to December 27th. Motion seconded by Council Member Becker. The vote was eight ayes. Motion carried.
- B. Harvest Baptist Church Request** – Harvest Baptist Church is requesting permission to stay in the Riverside Park after the 11:00 p.m. curfew for a new year’s celebration. Attorney Apt stated that the Police Chief would need to be consulted to see if he had any concerns. Pastor of Harvest Baptist Church, Tony Godfrey stated that he had visited with Police Chief Warner already and he did not have any concerns. Mayor Shirley stated that they could stay past curfew.
- C. Water Rights Dismissal** – Staff is requesting council approval to have Mayor Shirley sign the voluntary waiver of hearing and dismissal of water rights for the old electric steam generation plant located on the Neosho River at the water and power plant facilities. Administrator Slaugh noted that a meter would have to be installed per the new state rule and the permit fee of \$500 would have to be paid to transfer the water rights. Council Member French inquired about the cities ability to get water when water is scarce. Administrator Slaugh noted that Water Plant Superintendent Toby Ross had noted that the city has not had problem-obtaining water. Council would like to table this item until the next meeting.

- D. 2011 Budget Amendments** – The amendments were presented to the council to set the hearing for December 12th. Administrator Slaugh noted that the city is holding off hiring for three open positions one each in the fire, police and parks department until further notice and a spending freeze has been initiated. Council Member Callahan noted that he was embarrassed about the Standard and Pours rating of BBB for the city due to the negative fund balances at the end of 2010. Administrator Slaugh noted that the budgets in the past have been geared to spending goals as opposed to looking at revenues as well as expenditures. Council Member Stewart noted that he was in favor of larger transfers to have a positive balance at the end of the year. Administrator Slaugh noted that this item could be tabled until the next meeting to have a better grasp on the final numbers. The council was in agreement with tabling until the December 12th meeting.

OLD BUSINESS

- A. Wastewater Improvement Project – Discussions** - Council Member French noted that at his rental there were problems at the Y connection. He has some concerns that if the city starts lining the sewer lines it might cause some issues. Administrator Slaugh noted that lining of the pipes does not make customer connection worse. One-third of the city will be lined. Council Stewart made a motion to send out a RFP for engineering design of the project. Motion seconded by Council Member Franklin. Council Member Wicoff would like to see some referrals from other cities that have had the same product installed in their system. Council Member French noted that it would be nice to have the department heads in attendance when a project comes up on the agenda. Paul Sorenson inquired as to why city personnel could not do the project. Administrator Slaugh stated that the manpower and equipment was beyond the cities capacity. The motion was voted on with all eight council members voting in favor.

7:30 p.m. Mayor Shirley declared a five-minute break.

- B. Purchasing Policy** – The final draft of the purchasing policy was presented to the council for adoption by the council. Council Member Becker made a motion to approve the purchasing policy as written and move on. Motion seconded by Council Member Stewart. Discussion followed: Purchasing cards were discussed. Having the Purchasing Manager purchase every item for the city. City Clerk Hutton noted that this had been discussed with staff and the city would have to increase storage space and hire additional staff in order to have one central department purchase everything. Council Member Stewart explained the current process of ordering and tracking of all receipts. Motion was voted on. Voting in favor of the motion were council members: Becker, Wicoff

and Stewart. Voting against the motion were council members: Kilby, Rowe, Callahan, Franklin and French. Motion failed.

- C. **2012 COLA Discussions** – Staff presented a comparison of the 2012 budgeted salaries, which has a 2.5% cost of living built in and the social security 3.6% cost of living increase. Motion made by Council Member Callahan to move this agenda item to the first meeting in February. Motion seconded by Council Member Franklin.
- Council Member Wicoff commented that our employee’s work hard and are the greatest assets the city has. This is a very personal issue and he feels we should take care of the issue now.
 - Council Member Franklin noted that she had checked with Gates, Russell Stover’s and several banks in town and they either weren’t giving a raise or were not going to give it until early next year.
 - Council Member Kilby noted that in 2006 the City Commissioners had approved the policy to give the city employees an increase every year based on the federal COLA. Should at least go with the budgeted 2.5%. Council Member Callahan requested to withdraw his motion. Council Member Franklin was in agreement.
 - Council Member Callahan stated that he had requested the impact of the COLA increase on the budget and had not received the correct information. Administrator Slauch that he had figured the cost to the city for a 2.5% increase for the base pay would be \$130,381 and for a 3.6% increase would be \$154,821.
 - Council Member Rowe stated he still did not know where we are at financially.
 - Council Member French made a motion to table the matter until those individuals receive the documentation that they are requesting. Motion seconded by Council Member Callahan. Voting in favor of the motion was: Council Members Callahan, French, Rowe, Kilby and Franklin. Voting against the motion were Council Members: Stewart, Wicoff and Becker. Motion passed by a majority vote.
- D. **Special Audit – Discussions** – The proposals received by the city are attached for direction from the council.
- Council Member Rowe stated that there is a misconception that the audits the city receives are like the one being requested. The audits done yearly by the city are spot audits not complete audits. Rowe stated four or five communities around had audits done and this did not stop the mischief. With the things this council knows we would be shirking our duties by not doing an audit. We need to know where exactly we are.
 - Council Member Becker asked the council how much each one of them are willing to spend if the audit is done and nothing is found are each one of them willing to pay their share of the cost? If we have questions we should bring our auditors back and ask them special questions.

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- Council Member Callahan stated that a policy should be set that anytime we have a change in management a special audit should be done and the locks should be changed; this not only protects the individual but also the city.
- Council Member Kilby stated we need to know where we are. It would be good business to find out now if something has gone wrong and comes back to bite us in the future.
- Council Member French noted that if we showed some transparency on the issues and brought them out maybe we would have community support.
- Council Member Wicoff asked the council to take a step back and deal with the real issues that are facing the city. We know that there were some spreadsheets that were erroneous, however if we spend \$11,000-\$56,000 what are we going to gain. It is non-productive to use the money unwisely.
- Council Member Stewart stated that he had put an article in the paper requesting comments and concerns from citizens. He received 18 emails. 14 of them were against the audit. It is their money they elected us and they are telling us don't spend their money.
- Council member Callahan noted that it is not the right way to do business can't take a small percentage of the public to make a decision on.
- Scot Loyd of Swindoll, Janzen, Hawk and Loyd, LLC of McPherson explained that this is really not an audit, it is an agreed upon procedure that is determined by both parties. Need to be proactive for the future. Mr. Loyd indicated that our auditors should still have an opportunity to take care of our negative cash balances and re-file our audit report with the state.
- Council Member Rowe made a motion to enter into an agreement with Swindoll, Janzen, Hawk & Loyd of McPherson, Kansas to do an agreed upon procedure. Motion seconded by Council Member Callahan.
- Council Member Callahan asked Scot Loyd if we could modify the scope to change the number of years and if something is found change the scope to include back years. Scot Loyd informed the council that they should think about those things that keep them awake at night and start there. Attorney Apt stated that since RFP's were put out for the project the motion will need to be to reject all bids, then alter the requirements and decide if the council wants to re-bid it.
- Council Members Rowe and Callahan rescinded motion.
- Motion by Council Member Rowe to reject all bids. Motion seconded by Council Member Callahan. All in favor. Motion carried.
- Council Member Wicoff asked Council Member Callahan to explain when we get to choose public input? Since he said that the 18 people that had contact Council Member Stewart were not enough people to base a decision on. Council Member Callahan stated that those people

should be asked to explain why they feel an audit should not be done, if it is for personal reasons or what is the content weigh it out and decide

- Council Member Stewart stated he would give copies of the emails, however he will remove the names because individuals asked that their names not be given.
- Council Member Rowe made a motion to enter into an agreement with Swindoll, Janzen, Hawk and Loyd to do an agreed upon procedure that will be worked out between this council and the firm. Motion died for lack of a second.
- Council Member Kilby made a motion to redefine the agreed upon procedures and then send it out for proposals. Motion seconded by Council Member Rowe. Voting in favor of the motion were council members: Rowe, Callahan, Kilby, Franklin and French. Voting against the motion were council members: Stewart, Wicoff and Becker. Motion passed by a majority vote.
- Council Member Callahan noted that he would like the council work with Scot Loyd to develop a scope of work.

COUNCIL & ADMINISTRATOR REPORTS

- A. Mayor Shirley** – Noted that there are problems with the sound on the videos of the council meeting. Administrator Slauch stated that the main problem is individuals not turning on the microphone and not getting close enough to their microphone before speaking. Stated that he and Administrator Slauch attended the Allen County Commission meeting and they approved tax abatement for the storage units. The next step will be to attend the college board meeting.
- B. Council Member Stewart** – None
- C. Council Member Callahan** – Wanted to let everyone know that he was not against the COLA just did not receive good enough information.
- D. Council Member Wicoff** – None.
- E. Council Member Franklin** – None
- F. Council Member Kilby** – None
- G. Council Member Becker** – Requested the information in writing that Chuck had given to Hollie and Donna about his motion. Feels this information should be available since City Attorney Apt billed the city for it. City Attorney Apt stated he had not billed the city for that time. He will

provide a memo of the information however it will be considered Attorney/Client confidential information.

- H. Council Member Rowe** – Requested volunteers that are interested in running the video camera for the council meetings call him at 365-9717.
- I. Council Member French** – Requested an executive session for 10 minutes for non-elected personnel with only the council and mayor in attendance.
- J. Administrator Slauch** –
- Nothing to report.

EXECUTIVE SESSION – Non-Elected Personnel 9:40 p.m. K.S.A.75-4319

Motion was made by Council Member French and seconded by Council Member Callahan to recess into “Executive Session” for the purpose of conducting a meeting to discuss Non-Elected Personnel. Voting in favor of the motion were council members Rowe, Callahan, Kilby, Stewart, Franklin, Wicoff and French. Voting against the motion was council member: 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 10:00 p.m.

Attorney Apt left the executive session at 9:50 p.m.

Motion made by Council Member Callahan to approve the consent agenda. Council Member Kilby seconded the motion. All in favor. Motion carried.

Motion made by Council Member French to have the council provide a meal on December 30th for the employees at the expense of the council members. Motion seconded by Council Member Stewart. All in favor. Motion carried.

DATE / TIME OF NEXT MEETING

City Council Meeting 6:00 p.m. Monday, December 12th, 2011
City Council Meeting 6:00 p.m. Monday, December 26th , 2011

ADJOURNMENT

10:01 p.m. Motion made by Council Member Becker and was seconded by Council Member Stewart to adjourn the meeting. The vote was eight ayes. As the vote was unanimous, the meeting was declared adjourned.

Approved by the City Council of the City of Iola, Kansas this 12th day of
December 2011.

Mayor, William A. Shirley

City Clerk, Roxanne Hutton