

A regular meeting of the City Council of the City of Iola was held on October 11, 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 Stewart to approve the agenda-adding item I under new business Rail Trail. Motion seconded by Council Member Kilby. The vote was eight ayes.

PUBLIC COMMENTS

- Donna Houser requested an update on the status of Judy Brigham; stated that the special audit will be costly and wondered if this was a good use of city money. She inquired about Don Becker's motion to reinstate Judy at the last meeting and why it was different than his motion at the previous meeting.
- Holly Slakowski questioned council's actions, specifically why reinstating Judy Brigham was against the Personnel Policy Manual when the manual clearly states that the governing body can make changes to the manual at any time.
- John McRae questioned a Westar meeting that was called by two council members without the knowledge of the city administrator, the city's energy consultant, and other members of the council. He stated that council members have authority when acting as the governing body, but should not take action individually without knowledge of the whole body.
- Judy Snavelly stated that all of the executive sessions are not making this council transparent.

CONSENT AGENDA

- A. Minutes Approval** – September 26, 2011
- B. Appropriations Approval** – 2011-18
- C. Personnel Actions** –
 - Toby Ross – Water Plant – Annual
 - Jeff Bauer – Code Services – Annual
 - Jeff Sellman – Parks & Cemetery - Resignation

Motion made by Council Member Stewart to approve the Consent Agenda. Motion seconded by Council Member Becker. All in favor. Motion carried.

NEW BUSINESS

- A. Hospital Site Zoning – Public Hearing** Allen County Counselor Alan Weber, David Wright architect with Health Facilities Group, and Phil Schultz, construction manager with Murray company gave a brief presentation on why the Hopper site is a good fit for the hospital.
- Jay Kretzmeier asked the council to do what was best for the entire county.
 - Code Enforcement Officer, Jeff Bauer presented the recommendation from the Planning Commission to deny the rezoning request, stating that using the golden criteria from the Iola Comprehensive Plan would be inconsistent with current zoning.
 - Council Member Wicoff inquired about the financial difference between both places and why the need to hurry the process.
 - Alan Weber noted that the interest rates would be significantly higher if bonds were let after December 31, 2011.
 - Harry Lee noted some of the fiscal reasons for continuing quickly.
 - Tom Miller noted that Heartland Electric stated that the city would be allowed to service the electric on the Oregon site.
 - Alan Weber noted that the Anderson County Water District Five would not allow the city to service the hospital on the Oregon Road site.
 - Council Member French clarified that the money that the city is contributing to the hospital (approximately \$300,000 per year) is separate from the ¼ cent sales tax that was voted on by the citizens of the county.
 - Council Member Franklin stated she was in support of the Planning Commission and was concerned about property values decreasing in the area of the Kentucky site.
 - Judy Snavely voiced concerns about the area being so wet.
 - Tony Piazza voiced concerns about being land locked and encouraged council members to put the hospital on the Oregon Road site and annex it to encourage growth in that area.
 - Chris Weiner stated that the Kentucky site would be a poor location for City of Iola. He noted that another site along the Hwy 54 and 169 intersections would be better.

The public hearing was closed.

Council Member Rowe made a motion to override the decision of the Planning Commission and rezone the Kentucky site to commercial (C-2) from residential (R-1). Motion seconded by Council Member Becker. Discussion followed:

- Council Member Callahan noted that the Kentucky site abides by the resolution set by the prior City Commission committing the sales tax money to the hospital.
- Council Member Wicoff encouraged fellow council members to look to the future planning of the city.

- Council Member Becker noted that the council should move ahead with the hospital project.
- Council Member Kilby noted that he had to go out of town for specialists that are not here; hopefully with the new hospital those specialists will come to our area.
- Council member Stewart noted that he favored the East Street site. At the Huskey site the city can't control the utilities, but with the Kentucky site they can get on with the project.
- Mayor Shirley noted that he supports the Hopper site.

Voting in favor of the motion were council members: Callahan, Rowe, Kilby, Stewart, Becker, French and Mayor Shirley. Voting against the motion were council members Wicoff and Franklin. Motion passed by a 2/3-majority vote.

B. Hospital Site Utilities – Council Member Callahan made a motion to extend all utilities at city cost consistent with city policies to the new hospital on Kentucky site. Motion seconded. All in favor. Motion carried.

C. Neighborhood Revitalization Exception – Administrator Slauch noted that both Iola Pharmacy and American Self Storage did not apply before their deadlines to qualify according to the plan. If the council approves Allen County, school district and the college will have to approve also. Motion made by Council Member Callahan to approve the tax abatement for the next 10 years according to the neighborhood Revitalization Plan. Motion seconded by Council Member French. All in favor. Motion carried.

D. Special Use Permit – 618 S Kentucky - Connie Trowbridge - The Planning Commission's recommendation to the council is to allow the special use permit for a stand-alone daycare. Motion made by Council Member Stewart to approve the planning commissions recommendation. Motion seconded by Council Member Franklin. All in favor. Motion carried.

E. Superior Products request to forgive charges – Randy Misenhelter from Superior Products is requesting that the city write off the charges for extending water and gas to the building. Motion made by Council Member Callahan to waive the fees for the extension. Motion seconded by Council Member Stewart. Voting in favor of the motion were council members: Rowe, Callahan, Kilby, Stewart, Wicoff, Franklin and French. Voting against the motion was Council Member Becker. Motion carried by a majority vote.

7:43 p.m. Mayor Shirley declared a five-minute break.

F. KDHE Loan – Discussions – Administrator Slauch informed the council that the savings over the remaining 14-year term of the KDHE revolving loan for the water plant would be \$596,193. Cost of the

refinancing would be about \$60,000. There would be a \$42,000 decrease in the yearly payment. Motion made by Council Member French to adopt a resolution of the City of Iola, Kansas, authorizing payment of the costs of improvements to the city public water supply system. Motion seconded by Council Member Franklin. All in favor. Motion carried. Motion made by Council Member French to adopt a resolution authorizing the offering for sale of general obligation bonds, series 2011, of the city of Iola, Kansas. Motion seconded by Council Member Franklin. All in favor. Motion carried.

- G. Special Audit – Discussions** - Administrator Slaugh noted that he would like suggestions prior to next Monday for the special audit items. Council Member Rowe noted that he would like to have them review the current purchasing practices to be sure that the purchases were made in accordance with current policies.
- H. CDBG Housing Grant** – Motion made by Council Member Stewart to send request #2 to the State of Kansas for \$22,423 funding (Grant No. 10-HR028). Motion seconded by Council Member Callahan. All in favor. Motion carried.
- I. Rail Trail**- Assistant Administrator Schinstock noted that the Engineers recommendation is to accept the low bid from Mission Construction. Allen County Commissioners agreed to pay 20% of alternate #2. Motion made by Council Member Franklin to authorize the mayor to sign the contract with the lowest bid Mission Construction with all alternates following City Attorney Apt's approval. Motion seconded by Council Member Stewart. All in favor. Motion carried.

UNFINISHED BUSINESS

- A. Blue Cross Blue Shield Medical Policy - Renewal** - Following discussion motion made by Council Member Stewart to approve renewal of the Blue Cross and Blue Shield Medical Policy (11/01/2011 to 10/31/2012) as presented (single premium \$419.96 paid by city and family premium \$928.50, of which employee pays \$250). Motion seconded by Council Member Wicoff. Voting in favor of the motion was Council Members: Rowe, Callahan, Stewart, Wicoff, Becker, Franklin and French. Abstaining from the vote since he is a recipient of the retiree health benefits was Council Member Kilby. Motion passed by majority vote.
- B. Water Rate Review– Discussions** – Administrator Slaugh noted that with the refinance of the KDHE loan, the City needs to increase rates by 13% to break even. This does not allow for any funds to be set back for infrastructure upkeep. Council Member Becker noted that more study needed to be done and wondered where the city would go for a rate study. He also noted that the rate should be tied into an annual cost of living to accommodate rising costs of supplies.

Council Member Rowe noted that the vote at a prior meeting was to raise the water rates needed to make the water fund healthy at the same time determine proper way to lower electric rates to keep resident's bills about the same. Council Member Rowe noted that by lowering electric rates then transfers would be decreased to the other funds thereby making cuts to services. Council Member French noted that the motion was to review the water and electric rates, not to make it happen. Administrator Slaugh stated that he would have two ordinances, one for the increase in water rates and one for the decrease in electric rates, at the next meeting. Council Member Wicoff stated that it was hypocrisy to state that \$4 million was missing from the electric fund and then lower the rates. He noted that he would not ever vote to decrease money needed to keep our infrastructure in good repair. Council Member Callahan noted that the council has to be good stewards of the money from citizens.

COUNCIL & ADMINISTRATOR REPORTS

- A. Mayor Shirley** – Wanted to remind council they have been here for five months and one of the goals for having the larger council was to hold the meetings in the evenings. That goal has been accomplished. It seems like the larger council is bringing more ideas to the table.
- B. Council Member Stewart** – None
- C. Council Member Callahan** – Council Member Callahan requested the Mayor disband the ordinance committee so that they can meet and discuss the ordinances without having to meet open records requirements. Mayor Shirley disbanded the committee.
- D. Council Member Wicoff** – Noted that citizens had complained about the sound on the video and not being able to hear council members when they speak. Need to make sure microphone is turned on prior to speaking and speak towards the microphone. Administrator Slaugh noted that the beeping sound had been corrected and the meetings will air on Wednesdays following the meetings.
- E. Council Member Franklin** – None
- F. Council Member Kilby** – None
- G. Council Member Becker** – None
- H. Council Member Rowe** – Requested an executive session for attorney client.
- I. Council Member French** – None

J. Administrator Slaugh –

- Presented the 2012 holiday schedule for council approval. It meets the criteria of the current personnel policy manual. Employee task force recommends option one for approval. Council Member Callahan would like to have these prior to the meeting so he can look them over before approving next time. Motion made by Council member Kilby to approve option one. Motion seconded by Council Member Stewart. All in favor. Motion carried.
- A proposal regarding continued membership in the KPP will be on the agenda for the next meeting.

EXECUTIVE SESSION – Attorney / Client 8:48 p.m. K.S.A.75-4319a

Motion was made by Council Member Franklin and seconded by Council Member Callahan to recess into “Executive Session” for the purpose of conducting a meeting to discuss Attorney/ Client Matters. Council Member Becker voting against the motion. Motion carried by majority vote. Present: Mayor Shirley, Council Members, Administrator Slaugh and Attorney Apt. The open meeting to resume in the Commission Room at 8:58 p.m.

DATE / TIME OF NEXT MEETING

Strategic Planning Session 6:00 p.m. Monday, October 17th, 2011
City Council Meeting 6:00 p.m. Monday, October 24th, 2011

ADJOURNMENT

8:58.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 24th day of October 2011.

Mayor, William A. Shirley

City Clerk, Roxanne Hutton