

CITY OF IOLA

Page 1

10/22/2012

A regular meeting of the City Council of the City of Iola was held on October 22, 2012, at 6:00 p.m., at the Riverside Park Community Building, 510 Park Avenue, Iola, 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, Stewart, French, Wicoff, Franklin, and Toland were present. Also present were Administrator Slaugh and City Clerk Hutton. Council Member Ford was absent due to a prior commitment.

**REVIEW & APPROVAL OF AGENDA**

Motion made by Council Member Stewart and seconded by Council Member Franklin to approve the agenda as presented. All in favor. Motion carried.

**PUBLIC COMMENTS**

- Donna Houser commended the city crews for all of the work they did on Farm City Days. It was a big success and very well attended.
- Donna Houser commended all of the dog park committee members and the city crews for the dog park. It looks great.
- Donna Houser introduced Elyssa Jackson, the new Executive Director for the Historical Society.
- Elyssa Jackson thanked the council for allowing her to come tonight. She stated she was excited to be back in Iola, where her grandmother grew up. She is excited to work with city officials and the surrounding area to make the Historical Society great.

**CONSENT AGENDA**

**A. Minutes Approval – October 8, 2012**

**B. Appropriations Approval – 2012-20**

**C. Personnel Action Items –**

- **Josh Mueller- Gas, Water, Sewer – Annual Evaluation**
- **Dakota Hufferd – Gas, Water, Sewer – Six Month Evaluation**
- **Aaron Wight – Gas, Water, Sewer – Six Month Evaluation**
- **Brandon Thomas – Water Production – Annual Evaluation**
- **Sheila Sigg – Clerks Office – New Hire Cashier**
- **Robert Droessler Jr. – Sanitation – Six Month Evaluation**
- **Kara Godfrey- Administration – Annual Evaluation**
- **Brad Yoder – Recreation – Six Month Evaluation (Director)**
- **Kelly Rouse – Electric Distribution – Twelve Month Evaluation**
- **Jed Rice – Electric Distribution – Annual Evaluation**
- **Kristy Sutherland – Recreation – Six Month Evaluation (Asst. Dir)**
- **Mark Michael – Fire Department – Annual Evaluation**

Council Member Franklin inquired about the credit from Iola Insurance. City Clerk Hutton explained that following the yearly workman compensation audit the different departments either receive a credit based on their salaries and codification or an increase in the premium. A motion was made by Council Member Becker and seconded by Council Member Stewart to approve the consent agenda. All in favor. Motion carried.

## **UNFINISHED BUSINESS**

**A. FEMA PW - 847 -** At the last Council Meeting a request was made to have Van Scoyoc assist with this item. Van Scoyoc has passed on a request to Representative Lynn Jenkins. The payment still needs to be made in the time required by FEMA. If a different solution is worked out a refund may be made. Council Member Toland stated that he was the one that held this up at the previous meeting. He would like staff to continue with efforts to get the money refunded, however he understands the money needs to be sent within the time frame. A motion was made by Council Member Toland to authorize the refund payment to State of Kansas/KDEM/PA in the amount of \$31,880.62. Motion seconded by Council Member Becker. All in favor. Motion carried.

## **NEW BUSINESS**

**A. Cost of Living Adjustment** – On October 16, 2012 the Social Security Administration press office released the cost of living adjustment as an increase of 1.7% for the year 2013. With the approved 2013 city budget for all departments a 2.5% cost of living (COLA) adjustment was built into the salaries in anticipation of some type of increase. As per the personnel policy manual staff is presenting the social security cost of living index for consideration of adjusting the employee pay plan. Any cost of living adjustment approved by the council will be the same percentage rate for all employees as reflected in the pay plan system. Whenever a cost of living adjustment is approved by the city council the midpoint of each pay grade will be changed by the same percentage amount. If approved, this adjustment to the pay plan will be effective with the first pay of the 2013 for all employees. The difference in the 2.5 versus the 1.7 is a cost savings of around \$57,000. Motion made by Council Member Kilby to approve adjusting the city pay plan in accordance with the Social Security COLA adjustment of 1.7% increase with the effective date of the first pay role in January 2013. Motion seconded by Council Member Stewart. Council Member French stated that he would prefer to not look at the COLA as a given every year. It would be nice to be able to give the employees the entire 2.5% or more if finances allow at the same time, possibly not giving any increase at all if the funds are not there or if it requires increases in taxes or utility service rates. Administrator Slauch stated that the policy allows for the council to make the decision on the rate that is given. The employee task force discussed this and they stated that they felt fortunate with the approval by the council on the medical plan and feel that the 1.7 is adequate since that was what was agreed upon in prior years.

CITY OF IOLA

Page 3

10/22/2012

- Administrator Slaugh gave an overview of the standings of the finances currently. Noting a shortfall of revenue of about \$145,000 for the general fund including property tax, court fines, due to the fact that DUI cases have been moved to the county. Each department will be asked to make up the shortfall in the revenue by cutting expenses.
- The Gas fund revenues are down due to the warm temperatures, however this also means the city has not had to purchase gas, therefore, keeping expenses in check,
- The Water fund revenues have increased due to the drought.
- Administrator Slaugh noted that not a lot of adjustments will need to be made at the end of the year. Budget amendments will be necessary due to expenses that were not budgeted for, such as the grants received by the Fire Department.
- Administrator Slaugh noted that he made slight changes to the 2012 budget and made the 2013 budget reflect conservative revenues and expenses that are below the revenue side.
- Council Member Wicoff asked Administrator Slaugh if he felt that departments would be able to cut their spending to reflect the revenue shortfall. Administrator Slaugh noted that it would be possible.
- Council Member Franklin asked what the average raise was last year with the COLA and the step. That information was not available, however it will be brought to the next meeting.
- Council Member Becker stated that the employees deserved at least the 1.7%.
- The vote was taken. Council Members Becker, Wicoff, Stewart, Kilby, and Toland voted in favor of the motion. Voting against the motion were Council Members French and Franklin. Motion passed with a majority vote.
- Council Member Toland asked for information showing revenue trends for the city at the next meeting.

**B. COBRA Insurance Rates - Discussion-** Per the cities health insurance plan administrator BCBS of KS the city has to determine the COBRA rates every year. Enclosed in the packet are the rates for 2012 and the proposed rates for 2013. Motion made by Council Member Stewart to approve the COBRA rates for the year 2013 of a single policy \$426.78 per month and a family policy of \$941.34 per month. Motion seconded by Council Member Toland.

- Council Member Toland asked about the status of hiring an HR manager.
- Administrator Slaugh noted that applications were solicited, not sure yet who we want to interview. Noting that an HR manager would be beneficial to keep up on the HR rules. He noted that City Clerk Hutton and her staff have had to shoulder the extra workload.
- Mayor Shirley asked for a timeline on getting this position filled.
- Council Member Toland noted that it makes him nervous with over 100 employees to not have an HR manager on staff. He would like to kick it into high gear and be able to make a decision at the next meeting.
- Council Member Wicoff noted that it would be good to have an HR manager to keep up with all of the rules and regulations.

- Council Member Becker stated that he would like to see the position filled quickly. He noted that it is not right to dump the extra workload on staff.
- The vote was taken. All in favor. Motion carried.

**C. Purchasing Policy - Discussions** –Staff has been reviewing the existing purchasing policy in an effort to make it a little more user friendly, reduce staff time and still achieve the goal of making wise purchases. It is recognized that purchases should be made in a way that the desired quality is obtained without favoritism and offer competition. A list of proposed changes was presented to the council. Staff is recommending raising the required dollar limit amount for purchase orders from \$200 to \$1,000. This would reduce the time it takes department heads to get an additional signature of approval before a purchase is made. After feedback and further review by a future city attorney a formal change will be brought back to the city council for approval.

- Administrator Slaugh noted that this would be an excellent topic for a work session, so he made up some scenarios and asked the council to work through them using the current purchasing policy.
- Administrator Slaugh noted that in a city with a City Manager he/she generally manages the funds as situation dictates. The current policy came from Nixa, Missouri where they had some incidents with fraud; therefore extreme checks and balances were put into their policy.
- Administrator Slaugh noted that opening bids in a council meeting is a sign of distrust. More common in cities is a public opening where the city clerk or city engineer is present to record the bids. Staff then look over the bids and assure everything that was bid is quoted within the price and then a summation is taken to the council for approval.
- Council Member Wicoff noted that the policy should be scraped and started over. The council needs to trust the employees. It is good to have working relationships with the vendors.
- Council Member French noted that the council is responsible for the public's money. He noted that the auditor stated that the city needed a purchasing policy and he was glad to see one in place, of which he will audit with the 2012 financials, however he stated that it was a little over the top. He would like to have the auditor consulted to revise the policy.
- Council Member Toland stated that having the responsibility to the public is one of the council's responsibilities, however the council also has a responsibility to insure our employees have what they need to do their job. At the same time assuring there are the needed checks and balances in place. Council Member Toland stated an immediate fix needs to take place to operate more efficiently. There are costs associated with searching for prices if you save several thousand dollars, which is one thing, however saving only a few dollars costs money in the long run.
- Administrator Slaugh noted that the entire policy does not need to be redone, just fewer details. If the council is in favor of having the auditor or an attorney make revisions to the policy a consulting fee will have to be paid.

CITY OF IOLA

Page 5

10/22/2012

- Council Member Stewart inquired as to whether the Incode Purchasing Module would be easier on the employees. Administrator Slaugh noted that it would require all the superintendents to learn the program and they would be required to enter every purchase, however they would not have to run around to obtain signatures that would be an electronic process.
- Regarding the exercise on the auditor costs some of the council members stated that we got more for our money. Council Member Becker stated that he felt it was an extravagant expense; no fraud came out of the audit.
- Council Member Toland made a motion to have the mayor appoint a task force consisting of two council members and five members of the general public to make the policy what it should be. City Clerk Hutton asked if a member of the staff could also be a part of the task force to answer questions. Council Member Toland revised his motion to include a staff member. Motion seconded by Council Member Becker. All in favor. Motion carried.
- Council Member Toland made a motion to take staffs recommendations to approve the following changes:
  - Page 1, 3.3
  - Page 2, 3.10 & 3.13
  - Page 3, 5.2 & 5.3
  - Page 4, 5.4.2
  - Page 5, 5.7 & 5.10
  - Page 6, 6 & 7.2
  - Page 8, #1 Change to \$1,000, #2 as recommend by staff, #3 as recommend by staff.
  - Page 9, #4 #5 Change to \$1,000 & #9.5.2 as recommended
  - Page 10, 7.4 & 8.5 & 8.6
  - Page 11 1.2 & 1.4
  - Page 12 3.6 & 4 No
  - Page 13 5 No
  - Page 14 1.4 Change to \$1,000 & 1.6
- Council Member Stewart seconded motion. Voting in favor of the motion were Council Members Stewart, Toland, Wicoff and Becker. Voting against the motion were Council Members Kilby, Franklin and French. Motion passed by a majority vote.
- Council Member Toland made a motion when a local bidder is within 2% for all purchases under \$100,000 the local merchant would receive preference. Motion seconded by Council Member Stewart. Council Member French noted that if this was in the policy others wouldn't bid because they would know the local bidder would be given preference. Council Member Toland stated that he felt like the city should take care of our customers by investing in their success. Council Member Becker had some concerns with this item also stating that local businesses should be submitting competitive bids. Voting in favor of the motion

were Council Members: Wicoff, Toland and Stewart. Voting against the motion were Council Members: French, Franklin, Becker and Kilby. Motion failed.

- D. Proposed 2013 Holiday List** - The employee task force met and is recommending the attached holidays for 2013 for approval by the council. Motion made by Council Member Stewart to approve the proposed 2013 holidays. Motion seconded by Council Member Kilby. Council Member French stated that the State does not give all of these holidays to their employees it seems like a lot of time off with the floating holiday and the two personnel days. Voting in favor of the motion were Council Members: Stewart, Kilby, Toland, Wicoff and Becker. Voting against the motion were Council Members: French and Franklin. Motion passed by a majority vote.

## ROUNDTABLE

- A. Entrance Signs** — Council Member Toland asked that this item be placed on the agenda. In the packet were bids that were obtained by previous Code Enforcement Officer, Jeff Bauer which he presented at the February 13, 2012 Council Meeting. Council Member French noted that at the February meeting he asked that the masonry work be checked to see if it could be reused and nothing was ever brought back. Council Member Toland noted that as a city we do a good job of bringing people to town. We need to remake our image, noting that it may be a multi year process just because of the cost. Council would like staff to check on the masonry work for possible reuse and get updated bids. Council Member Stewart asked what the difference is in the HDU product. Council Member Toland stated that it is more durable, for instance if a mower were to throw a rock it would sustain less damage. The electric would probably not need replaced, this could be checked into also.
- B. Neighborhood Revitalization Plan** — Staff worked on changes to the neighborhood revitalization plan, coordinated those changes with participating members (Allen County, Allen county Community College and USD 257) and presented the plan to the city council on May 14, 2012 prior to the May 31 expiration date. The city council voted at the May 14 meeting to extend the boundaries of the plan to include the entire city. City Staff was not prepared to deal with that proposal and has two concerns with the measure approved. First, the statutory provisions or definition allowing a neighborhood revitalization program, K.S.A. 12-17,115 et seq., do not seem to support the designation of the entire city as a blighted area and second, concerns in the case of disaster and redevelopment. The desire to provide an incentive for development appears to be the motivation for including the entire city boundary. A nullification provision has been drafted that will take care of the second concern, which would continue to provide revenue for city services in the event of wholesale redevelopment of reconstruction following a natural disaster. Staff will redraft the original plan and coordinate with other impacted entities prior to returning for approval from the council. In the meantime the city is without an approved neighborhood revitalization plan. Council Member French noted that he did not realize the original plan had provision for approving

construction that is outside the designated area, noting that not having a plan is hurting individuals like him that are making improvements to their property. Motion made by Council Member French to approve the plan that was presented in May with the provision to allow those outside of the area and withdrawing the previous motion to make the entire town part of the plan. Motion seconded by Council Member Stewart. All in favor. Motion carried.

## **COUNCIL & ADMINISTRATOR REPORTS**

### **A. Mayor Shirley –**

- Asked Administrator Slaugh about the EMS committee dissolving and him stating that he would set up a joint meeting between the governing bodies of both the city and county. Administrator Slaugh noted that November 19<sup>th</sup> was the target date. All the council members except Wicoff would be able to attend that date. A mediator would be present. The meeting would be held at the Creitz Recital Hall in the Bowlus.
- Thought Farm City Days went well. Wanted to thank everyone that helped and volunteered to make it a success.
- See Hear, Iola will be held at 10:00 a.m. on Friday.
- City Attorney applications were solicited and the deadline for submittal was Friday, October 19<sup>th</sup>. Asked the council how they wanted to proceed. Council Member Stewart recommended a member of the general public participate in this selection. The council would like to have the Mayor and Administrator Slaugh bring the top three candidates to the council at which time they will interview them. A special meeting will be set up for Thursday, November 1<sup>st</sup> at 6:00 p.m. to interview the top three. This will have to be done in executive session since applications are not open record.

### **B. Council Member Stewart –**

- Council Member Stewart reiterated that the Mayor and Administrator will narrow the applicants to three and then the council will interview the top three.

### **C. Council Member Ford –**

- Absent

### **D. Council Member Wicoff –**

- None

### **E. Council Member Franklin –**

- Noted the Coterie meeting will take place October 29<sup>th</sup>. Fifty-five invitations were sent out.

**F. Council Member Kilby –**

- None

**G. Council Member Becker –**

- Wanted to make sure that the council was provided the financial documentation to make a sound decision on the EMS/Fire meeting with the county.

**H. Council Member Toland –**

- Commended city staff on quick cleanup after Farm City Days.
- Also wants to be sure council has the documentation to show the savings if the two EMS services are combined.
- Asked about the status on the CDBG project. Administrator Slaugh noted that we are close to the numbers required to expend the money. Commended the staff on their work on this project.
- The pedestrian walk light on Madison and Jefferson on the west side of the northwest corner is not working.
- Complimented Council Member Wicoff on his participation in the juggling act at the Bowlus performance on Saturday.

**I. Council Member French –**

- Echoed the comments from the other Council Members requesting documents on the EMS item. What will happen to the fire department if the EMS were to be moved to the county?

**J. Administrator Slaugh –**

- The insurance company was consulted concerning the new policy for the background checks in the recreation department and they have no issues with the policy.
- Had a retiree voice concerns about the increase in the health insurance. It is a large increase for one year; however an increase has not occurred since 2006. There should have been small increases each year.
- The trunk or treat is this Friday from 6:00 p.m. – 7:30 p.m. N Jefferson Street will be closed from Madison to East Street. Council Member Toland stated that the Police Chief should use his discretion to close streets as necessary for Halloween.

**Mayor Shirley declared a five-minute break.**

**EXECUTIVE SESSION – Non – Elected Personnel/ Hiring Pay Increase 8:20 p.m. K.S.A.75-4319**

Motion was made by Council Member Stewart and seconded by Council Member Kilby to recess into “Executive Session” for the purpose of conducting a meeting to discuss Non-Elected Personnel. All in favor. Motion carried. Present: Mayor Shirley, Administrator Slauch and Council Members, The open meeting to resume in the Commission Room at 8:30 p.m.

**DATE / TIME OF NEXT MEETING**

City Council Meeting 6:00 p.m. Tuesday November 13<sup>th</sup>, 2012

City Council Meeting 6:00 p.m. Monday, November 26<sup>th</sup> 2012

**ADJOURNMENT**

**8:34 p.m.** Motion made by Council Member Kilby and seconded by Council Member French to adjourn the meeting. As the vote was unanimous, the meeting was declared adjourned.

Approved by the City Council of the City of Iola, Kansas this 13<sup>th</sup> day of November 2012.

---

Mayor, William A. Shirley

---

City Clerk, Roxanne Hutton