

A regular meeting of the City Council of the City of Iola was held on January 12, 2015, at 6:00 p.m., at the Riverside Park Community Building, 510 Park Avenue, Iola, Kansas.

CALL MEETING TO ORDER

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

ROLL CALL

Mayor Wicoff, Council Members Becker, Franklin, Ford, Shaughnessy, Myrick, Wells, Zornes and French were present. Also present were Administrator Slaugh, Assistant Administrator Schinstock, and City Clerk Hutton.

REVIEW & APPROVAL OF AGENDA

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

PUBLIC COMMENTS

No public comments were made.

CONSENT AGENDA

A. Minutes Approval - December 22, 2014 & January 5, 2015

B. Appropriations Approval – 2015-01

C. Personnel Action

- **Danielle McNaught – Fire/EMS Department- Twelve Month Evaluation**

City Clerk Hutton noted that the minutes from January 5, 2015 had been corrected. Council Member Franklin had been mistakenly identified as Council Member French. Motion made by Council Member Wells to approve the consent agenda with the aforementioned correction. Motion seconded by Council Member Zornes. All in favor. Motion carried.

NEW BUSINESS

A. Kansas Pride Program - Resolution - The annual resolution was read by Mayor Wicoff. Motion made by Council Member Wells to approve Resolution 2015-01 declaring the city to be an official entrant in the PRIDE Program for 2015 and authorizing the mayor to sign the resolution. Motion seconded by Council Member Zornes. All in favor. Motion carried.

UNFINISHED BUSINESS

A. Electric & Gas Utility Rates Discussion - Administrator Slaugh reviewed the options for a proposed rate increase in the electric and gas utility funds. He noted that

the Energy Cost Adjustment (ECA) was added to the customers' bills in 2002 for gas and 2006 for electric. The two funds are used to supplement the general and recreation funds of the city. The crews do a great job of keeping all of the equipment and distribution lines in good condition. The crews strive to keep outage time down to a minimum. KCC rules have been met by staff and the city has continued to stay in compliance. If the city did not transfer the \$3,423,000 from the funds to cover the general and recreation funds we would have to increase the mill levy by 115 mills. The city maintains lower electric rates than Westar or Heartland Electric for customer bills. The reserve balance in the electric fund is slowly declining. At the time the city implemented the ECA for electric utility the two large industrial customers were being charged less than what the city was paying for electric power.

Scott Shreve, the city's energy consultant stated that the city has three ways to increase revenue. The first being raising the meter charge to all customers, the second is an increase in the ECA and the third is an increase in the actual rates. Council Member French inquired about the meter charge reaching all of the City of Gas customers. Administrator Slaugh noted that the city provides electric to all of the individual customers, therefore, the meter charge would reach each individual customer. The city does not have a contract with the outside city limit customers. Council Member Shaughnessy would like to see a meter charge increase and a small increase in usage that would reach every customer. Scott Shreve reviewed the electric rates and how customers are charged. He showed how an increase in the meter charge would affect the increase in revenue for the city. Scott showed the council how an increase in both the ECA and an increase in the KWA charge would increase revenue for the city. Council Member Myrick noted that he would also like to see a shared increase between residential and industrial. Administrator Slaugh stated that he was asked at the last meeting of the council how long would it take to recoup an economic development incentive that is given to a customer. He noted that any one of these scenarios could raise about \$300,000 each year. Over a three year time span the city could increase the reserve balance to the three to six month operating budget that is spelled out in the financial policy of the city. With the new transformer project for Gates in 2012 which cost the city over \$437,000 and the purchase of the catalytic convertors for the Wartsila and the EMD's the fund balance reserve is decreasing. Scott Shreve noted that he wanted to give the council a brief overview of the rate structure and discuss options for generating more revenue for the city and then bring back rate increase options at another meeting.

COUNCIL & ADMINISTRATOR REPORT

A. Mayor Wicoff –

- None

B. Council Member Wells–

- None

C. Council Member Ford –

- None

D. Council Member Franklin–

- Happy New Year.

E. Council Member Shaughnessy –

- None

F. Council Member Becker –

- None

G. Council Member Myrick –

- None

H. Council Member Zornes –

- None

I. Council Member French –

- None

J. Administrator Slauch –

- Will be bringing the EMS expenses for 2014 to the next meeting and sending a copy to the county commissioners.
- A city representative replacement is needed for the Economic Development Committee. Motion made by Council Member Franklin to nominate Council Member French for the position. Motion seconded by Council Member Myrick. Council Member French stated he would accept the position. All in favor. Motion carried.
- Discussed a possibility of holding a strategic planning session. The council members wanted to review 2014 and see where we are. The consensus was to place an item on the regular agenda each month and discuss how to complete each one. Some of the ideas were utility rates, infrastructure replacement and maintenance, economic development, possible cross training and not rehiring open positions, possible availability of community block grants, ideas for alternative sources of energy, and affordable housing.

DATE / TIME OF NEXT MEETING

City Council Meeting 6:00 p.m. Monday January 26th, 2015

City Council Meeting 6:00 p.m. Monday February 9th, 2015

ADJOURNMENT

7:23 p.m. Motion made by Council Member Becker and seconded by Council Member Myrick 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 26th day of January 2015.

Mayor, Joel Wicoff

City Clerk, Roxanne Hutton