

MULVANE CITY COUNCIL
REGULAR MEETING MINUTES

December 19, 2016

7:30 p.m.

The Mulvane City Council convened at the City Building at 211 N. Second at 7:30 p.m. Presiding was Mayor Shelly Steadman, who called the meeting to order.

Council Members Present: Joe Johnson, Terry Richardson, Kevin Cardwell and Nancy Mottola.

Others Present: Debbie Parker, Kent Hixson, Mike Robinson, J.T Klaus, Cathy Walker, Joel Pile, Chris Young of Young & Assoc., Tom Burkhart of Carson Insurance Group.

Pledge of Allegiance: All stood for the Pledge of Allegiance led by Mayor Steadman.

Approval of Regular Meeting Minutes Dated 12-05-16:

MOTION by Mottola, second by Richardson to approve the Regular meeting minutes dated 12-05-16 with Johnson's amendment (PowerPoint v. power point).

MOTION approved unanimously.

Correspondence: None

Review and Closing of the Agenda:None

Public Hearing to Amend 2016 Annual City Budget:

With the refunding of the 2012 Series A Bonds, 2010 Revenue Bonds, 2010 Series B Bonds, and the 2011 Series A Bonds, the City of Mulvane will be required to amend the 2016 annual budget. Due to the refunding, the City will spend money that is not in the original 2016 budget. Amending the 2016 budget also allows the City to expense monies carried over in the Special Park and Recreation budget.

Due to bond refunding's the City has amended the annual budget in 2011, 2012, 2013, and 2015. The bond refinancings the City completed in 2016 will save the City \$53,800.00 in interest cost each year for the next eleven years. The City will be required to amend the budget to allow the additional expenditures. This process must be completed before December 31, 2016.

K.S.A. 79-2929a. Municipalities are authorized to amend budgets to spend money not in the original budget. The public hearing notice was published in the 12-8-16 edition of the *Mulvane News*. Mayor Steadman asked if there was anyone present to speak about the budget amendment. There was no one.

MOTION by Mottola, second by Johnson to recess the city council meeting for two (2) minutes in order to hold a public hearing for the purpose of amending the 2016 budget.

MOTION approved unanimously.

MOTION by Richardson, second by Cardwell to reconvene the city council meeting at 7:36 p.m.

MOTION approved unanimously.

MOTION by Johnson, second by Richardson to amend the 2016 budget as presented.

MOTION approved unanimously.

Appointments, Awards and Citations:

The Kansas All-Star Scholarship Fund Board Appointment:

The Kansas All-Star Scholarship Fund Board Appointment was created by the Kansas Star Casino in 2011. 100% of its funding is provided by Kansas Star Casino, which has committed \$1.5 million annually to support the objectives of the Kansas All-Star Scholars Fund. Funds are distributed to students, teachers and families in Sumner County. Each K-12 student received \$100 for back-to-school shopping, teachers received \$500 to offset the costs associated with their classrooms and graduating seniors were given \$1,000 if they chose to continue their education.

All seniors that apply get a \$1,000.00 scholarship to any post-secondary institution. Each student in the top 10% of a graduating class (honor students) gets a \$2,000.00 scholarship, one salutatorian gets a \$4,000.00 scholarship, and one valedictorian gets a \$5,000.00 scholarship.

The Fund is a separate entity, independent from the City or County. An autonomous, non-profit Board of Directors oversees the administration of the program. This panel is comprised of local business, education and civic leaders. According to the by-laws the fund is governed by a five (5) member board serving staggered two year terms. One of those board members is appointed by the Mulvane city council. The only input the City has regarding the fund is the appointment of one person to the board. The appointee does not have to be a city council member.

Joe Johnson was the initial council appointment to the fund board and was reappointed in 2013. Joe's term expires as of January 1, 2017. The council needs to appoint a board member for a two year term. Joe said he would accept another two-year appointment.

The current board members are: Frank Carson, J C Long, Joe Johnson, Colby Zeka and Gary McGuire. The Kansas All- Star Scholarship board members serve without compensation.

The Fund is a 501(c) (3), non-profit organization created for the purpose of supporting education and students in Sumner County and Mulvane. In order to comply with the Scholarship Fund by-laws, the City council must make an appointment.

MOTION by Mottola, second by Richardson to appoint Joe Johnson to a two-year term to the Kansas All-Star Scholarship Fund, Inc.

MOTION approved 3-0 with Johnson abstaining.

OLD BUSINESS

None

NEW BUSINESS

1. Villa Maria Senior Housing Addition – Water and Sewer Improvements Update:

In July, 2016, the City accepted two petitions for water and sanitary sewer improvements to serve Villa Maria Senior Housing Addition. Council approved the Developer's Agreement for the Improvements, and adopted the advisability of the resolution, and the work ordinance in order to special access the cost of the improvements to the benefitted properties. The developer provided a 35% letter of credit for the project.

The Sanitary Sewer Petition amount was One Hundred and Eighty Three Thousand, Seven Hundred and Twenty One Dollars and Fifty Cents (\$183,721.50). The Water Improvements Petition amount was Fifty Six Thousand, and Two Hundred and Twenty Seven Dollars and Fifty Cents (\$56,227.50); the total petitioned amount for SS and WL Improvements for Villa Maria – Phase 1, was Two Hundred and Thirty Nine Thousand, and Nine Hundred and Forty Nine Dollars (\$239,949.00).

Bids were received for this project on December 14, 2016. Although the low bid for the total project was below the overall total of both petitions, the Water Line bids came in higher than the petition amount. The Water Line Petition will need to be amended to Seventy One Thousand, and Nine Hundred Fifty Five Dollars (\$71,955.00), resulting in a revised total petitioned amount for SS and WL Improvements for Villa Maria – Phase 1, to Two Hundred and Fifty Five Thousand, and Six Hundred Seventy Six Hundred Dollars and Fifty Cents (\$255, 676.50).

The low bid for the Project was from McCullough Excavation, Inc. for One Hundred and Forty Four Thousand, and Four Hundred Twenty Five Dollars (\$144,425.00). Adding in the Engineering, Inspection and Administrative Fees of 35%, the new projected total Project cost is One Hundred and Ninety Four Thousand, Nine Hundred and Seventy Three Dollars and Seventy Five Cents (\$194,973.75).

Amending the water petition to cover the increased water costs has a domino effect on four documents; the developer's agreement, letter of credit, resolution and ordinance. All four may need to be changed and the ordinance adopted and published.

It is staff's goal to have the amended petition, resolution and ordinance, construction agreements, bonds and insurance certificate ready for council review and approval at the 1-04-17 meeting. We can issue the Notice to Proceed for construction of the sanitary sewer and water lines effective once the ordinance is published in the *Mulvane News* on January 12, 2017.

Chris Young explained the difference in the water and sewer improvements from the bid letting. No action. Information only.

2. Financial Advisor Agreement To Issue Temporary Notes for the Villa Maria Senior Housing Addition Water & Sewer Improvements:

The City uses a financial advisor when issuing debt to finance infrastructure, buildings and other improvements. The FA develops the bond maturity schedules and assists in various tasks of the process to bring these bonds to market. The City has used Piper Jaffray on several bond issues.

Petitions for the Villa Maria Sr. Housing water and sanitary sewer projects have been submitted by the developer and accepted by the City. The bids for the sanitary sewer and water improvements have been let and the combined project cost is below the engineers estimate. The City needs to begin the process of issuing bonds to pay for the Villa Maria Senior Housing project water and sanitary sewer improvements.

The water petition will need to be amended to \$71,995.00. The cost of issuance, including the FA fee is included in the petitions. The total or combined water and sewer project cost is below the combined petition amounts.

Once the project is complete and all costs are final, the temporary notes will be replaced by General Obligations bonds payable via special assessments.

The temporary note fee is \$7,500.00. A financial advisor cannot also act as the bond underwriter (i.e. sell the bonds).

MOTION by Richardson, second by Johnson to approve the Financial Services Agreement with Piper Jaffray & Co.

MOTION approved unanimously.

MOTION by Cardwell, second by Richardson to approve the Supplemental to Financial Services Agreement with Piper Jaffray & Co for the temporary note issue to finance the water and sewer improvements for the Villa Maria Senior Housing Addition.

MOTION approved unanimously.

3. City Property, Casualty & Workers Comp. Insurance Broker – Change Agent of Record:

Carson Insurance Group now has a commercial lines agent, Tom Burkhart and a contract with EMC (the City's insurance carrier). That means they can now provide the same service that ICI does; which is to go out to different insurance companies (EMC, Travelers, Hartford, etc.) and find the best "package" (property and casualty, workers comp. etc.) of coverage for the City. The Carson Insurance Group would like to be the City's insurance broker.

The City is free to choose any insurance broker. The City renews our property and casualty insurance policy in April. It takes about two months to get a proposal in place, so if the council wants to change brokers, we need to make that decision fairly soon.

EMC and other carriers stopped the practice of allowing agencies to cut commission in order to obtain business. There is a percentage of the annual premium (between 10 – 12%) paid to the agent based on the total policy premium. The total premium for our current policy is \$261,177.00. The commission paid to the broker is the same for all agents. Changing agents means the City will pay the same amount for insurance broker services.

MOTION by Richardson, second by Mottola to sign an Agent of Record letter with the Carson Insurance Group.

MOTION approved unanimously.

4. Alcohol & Drug Fund Grant Program Renewal:

The State collects a tax on the sale of alcohol in Mulvane. The State Treasurer disburses a portion of this alcohol tax to the City each quarter. According to Ks. Statute 79-41a04: (Local alcoholic liquor fund; distribution of moneys) once a city reaches 6,000 in population (Mulvane is 6,200), the Local Alcohol Tax must be distributed evenly into three City funds: The General Fund, Special Parks & Recreation and Special Alcohol & Drug Fund.

In 2013, the council approved a program for disbursement the Sp. Alcohol & Drug Fund monies in the form of four grants totaling \$45,962. The 2013 grants were closed out according to the guidelines.

Staff visited with Jodie Copland-Baker of USD 263. Sumner Mental Health Center and USD 263 are interested in applying for grant money for the 2017 year. They would like to expand mental health services for their A&D clients in our community. To date, the City has awarded USD 263 over \$150,000 to fund alcohol and drug prevention programs in the school district.

Special Alcohol & Drug Fund: "Moneys in the special alcohol and drug programs fund shall be expended only for the purchase, establishment, maintenance or expansion of services or programs whose principal purpose is alcoholism and drug abuse prevention and education, alcohol and drug detoxification, intervention in alcohol and drug abuse or treatment of persons who are alcoholics or drug abusers or are in danger of becoming alcoholics or drug abusers".

MOTION by Johnson, second by Richardson to renew the Special Alcohol and Drug fund grant program in 2017 for the purpose of funding alcohol and drug prevention programs in the community and to accept applications for these funds for review by the city council.

MOTION approved unanimously.

5. City Employee Wage Adjustment/COLA Consideration:

The Employee Handbook, Sec. D-2 (b) states, “Annual cost-of-living pay increase *may be given* as approved by the City Council”.The city council has sole discretion regarding the granting of cost-of-living increases to city employees.

MOTION by Johnson, second by Mottola to grant a one (1) % wage adjustment/COLA for all city employees for 2017.

MOTION approved unanimously.

ORDINANCES AND RESOLUTIONS

None

1. Engineer’s Report/Project Review and Update:

- Chris Young of Young & Associates updated the Council on the GIS mapping of city utility, E. Mulvane Street drainage project, Cedar Brook 2nd Addition, Hunters Pointe Addition and the Villa Maria Senior Housing Project.
- **Cedar Brook 5th Addition – Change Order No. 1**

On June 20, 2016 the City issued a Notice of Award to Nowak Construction Co., Inc. for the construction of sanitary sewer and waterline improvements for the fifth phase of Cedar Brook and Cedar Brook 2nd residential subdivisions.

As part of the sanitary sewer improvements, the plans call for a section of existing sidewalk (approx. 10’x10’) to be removed and replaced. Nowak Construction removed the existing sidewalk and completed the sanitary sewer construction in the area. As the project was nearing completion, Nowak contacted Y&A and indicated that additional sidewalk (located east and west of the section that was removed) is heavily cracked and should also be removed and replaced.

Nowak Construction Co. Inc. has subsequently requested a change order to deduct the cost for replacing the approx. 10’x10’ section of sidewalk. The deduct amount for replacing the sidewalk is (\$1,000.00). Staff is waiting for an “add” change order from Kansas Paving for completion of all the sidewalk construction.

The original contract amount for sanitary sewer and waterline improvements was \$102,977.50. The total revised contract amount due to Change Order No. 1 would be \$101,977.50.

MOTION by Mottola, second by Cardwell to accept Change Order No. 1 to deduct (\$1,000.00) from the total contract amount as requested by Nowak Construction.

MOTION approved unanimously.

City Clerk:

The next council meeting will be Wednesday, January 4, 2017.

City Administrator: None

City Attorney:

The City Attorney requested an executive session not to exceed thirty (30) minutes to discuss matters privileged in the attorney-client relationship. The executive session to include the Mayor, Council, City Administrator and City Attorney. *Mayor wanted 35 minutes.*

MOTION by Cardwell, second by Johnson to recess for a period not to exceed thirty-five (35) minutes to discuss matters privileged in the attorney-client relationship to include the Mayor, Council, City Administrator and City Attorney. To return at 8:45p.m.

MOTION approved unanimously at 8:10 p.m.

MOTION by Mottola, second by Richardson to return from executive session at 8:47 p.m.

MOTION approved unanimously.

Mayor Steadman announced that no decisions were made during the Executive Session.

The City Attorney requested an executive session not to exceed twelve (12) minutes to discuss matters privileged in the attorney-client relationship. The executive session to include the Mayor, Council, City Administrator and City Attorney.

MOTION by Mottola, second by Richardson to recess for a period not to exceed twelve (12) minutes to discuss matters privileged in the attorney-client relationship to include the Mayor, Council, City Administrator and City Attorney. To return at 9:00 p.m.

MOTION approved unanimously at 8:48 p.m.

MOTION by Mottola, second by Cardwell to return from executive session at 9:04 p.m.

MOTION approved unanimously.

Mayor Steadman announced that no decisions were made during the Executive Session.

Consent Agenda:

MOTION by Richardson, second by Mottola to approve Consent Agenda items 1 - 3

1. Payroll dated 12-16-16 (\$189,579.19)
2. Warrant Register for November (\$843,993.13)
3. Purchase of 25,000 lbs. of ferric chloride for \$5,577.50 and 22,500lbs. of sodium hydroxide for \$4,390.00 at a total cost of \$9,967.50 from Brenntag.

MOTION approved unanimously.

Announcements, Meetings and Next Agenda Items:

Concerning the community room repair and remodel, Cardwell suggested that the east wall of the kitchen be cut out and a serving counter installed. Staff will include that in the change order request from the general contractor.

Mayor Steadman said there is a Planning Commission member opening that needs to be filled and a library board member opening that needs to be filled.

Adjournment:

MOTION by Richardson, second by Cardwell to adjourn the council meeting at 9:10 p.m.

MOTION approved unanimously.

Debra M. Parker, City Clerk