

MULVANE CITY COUNCIL
REGULAR MEETING MINUTES

May 3, 2021

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 at 7:32 p.m.

Council Members Present: Terry Richardson, Nancy Farber Mottola, Kevin Cardwell, Brent Allen, Jenean Keck.

Others Present: Mike Robinson, Debra Parker, Gordon Fell, Joel Pile, J.T. Klaus, Chris Young, Rachael Blackwell, Brad Modlin, Megan Bryant.

Remote Attendance: Greg Vahrenberg, Kevin Baker.

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

Approval of Regular Meeting Minutes Dated 4-19-2021:

MOTION by Mottola, second by Richardson to approve the Regular meeting minutes dated 4-19-2021.

MOTION approved unanimously.

Correspondence: None

Review and Closing of the Agenda: None

Appointments, Awards and Citations:

1. Ten-year Service Award:

Mayor Steadman recognized Heath Nixon of the Public Work Dept. for 10 years of service to the city and his work at the Sports Complex. Nixon was not present.

OLD BUSINESS

1. Electric Generation System Study Proposal:

Joel Pile reviewed this item with the council. With the recent failure of engine #11, the City no longer has the 8-megawatts necessary to carry Mulvane's average electric demand/load of 6-megawatts.

A Request for Proposals (RFP) was sent to 4 firms (MKEC, Young & Associates, PEC and Burns & McDonnell) requesting a scope of services with fee to study and evaluate the following:

1. Current electric load profile of the city and projected profile over a 20-year period.
2. Report on the frequency of generator use.
3. Cost estimate and analysis/opinion to repair existing generators.
4. Cost estimate and analysis/opinion to install generation to meet current and future city demand.
5. Basic rate analysis of each scenario.

On April 14, 2021, the City opened sealed proposals from firms to provide a study of the electrical generation system. The purpose of the study is to aid the City Council in making a decision regarding the future of electrical generation in Mulvane. The City received one proposal from Professional Engineering Consultants (PEC). Staff has reviewed the proposal and met twice with PEC to discuss expected outcomes from the study. The fees for the Electrical Generation Review Study have a not to exceed amount of \$41,300 plus reimbursable expenses. Funds for the study will be paid by the electric utility.

MOTION by Richardson, second by Cardwell to accept the proposal from Professional Engineering Consultants, PA (PEC) for the study of the electrical generation system as specified in RFP 2021-01 and authorize the City Administrator to sign an agreement upon review and acceptance by the City Attorney.
MOTION approved unanimously.

Council asked if any information had been received regarding rebuilding Engine #11. Staff estimates it could be around \$400,000 to rebuild the engine depending on the damage.

2. Electric Substation Renovations (111th & Rock Road):

There are 2 electric transformers located at the 111th Street Electric Substation. The sizes of the electric transformers are 5 MV and 15 MV. In recent years, the electric load on the 5 MV transformer must be transferred to the 15 MV transformer in the summer months because of excessive electrical load.

The 111th Street Electrical Substation was built in 1970. Some of the original equipment within the electrical substation is still in service. Many of the electrical controls are outdated and nonreplaceable and has reached a point in time that it needs a thorough electrical upgrade/rebuild. The 5 MV transformer needs to be replaced with a transformer sized to the current and future load.

Substation upgrade proposals were received from ElectiComm, Inc., Utility HelpNet, Inc. and KMEA Mid-States. KMEA Mid States are backed up for 2-3 years. Staff does not believe we should wait that long to start this project. Based on the proposals, staff recommends ElectriComm, for the project. They have provided a firm price for material and labor and a projected timeline for completion.

It was asked if the American Rescue Plan Act funds could be used for this. The regulations have not been issued yet and it is unlikely that this would be best suited for these funds.

MOTION by Mottola, second by Allen to approve and/or request the KPP approve the proposal from ElectriComm to perform 111th St. electric substation upgrades in the amount of \$1,090,800 plus bond costs and sales tax.
MOTION approved unanimously.

MOTION by Mottola, second by Cardwell to approve and/or request the KPP approve the purchase of a suitable transformer for the 111th Street Substation in an amount not to exceed \$800,000 including sales tax.
MOTION approved unanimously.

City staff has spoken to Kansas Power Pool and they are willing to include this project in their upcoming bond issue. KPP can finance improvement projects on the City's behalf with the cost of the improvements being passed on to the City through the cost of electricity. If the KPP approves to include us in their bond issue, there will be a one-page addendum added to our contract.

Since the Kansas statutes do not clearly provide an option for the City to issue General Obligation Bonds without conducting a bond election the City Attorney will produce a Charter Ordinance to charter out from under the election requirement for electrical system improvements so if this issue comes up again, we will be prepared. This may also be helpful with whatever the outcome is of our generator study.

MOTION by Allen, second by Keck to authorize the City staff to request that the Kansas Power Pool include the City's Electric System Project in its upcoming bond issue using a 15-year repayment schedule.

MOTION approved unanimously.

(Greg Vahrenberg of Raymond James, Assoc. is not serving as a Municipal Advisor to the City for the Electric System Project. Given his role as Underwriter of the Kansas Power Pool, Greg wants to make sure it is clear to all parties that he is not also serving as a Municipal Advisor to the City and that he is not being compensated by the City for the Electric Project nor is giving recommendation to the City for participation).

3. Sanitary Sewer Collection System Study Review:

Chris Young presented the Sanitary Sewer System Analysis 2020 Study Update with the council. Recommendations for improving the City's two major sewer collection lines and a timeline for improvements was discussed, along with updated cost options.

4. Sanitary Sewer Collection System – Review Financing of Proposed Improvements:

Greg Vahrenberg reviewed financing options for improvements to the Sanitary Sewer Collection System. The City has identified proposed improvements to the Sanitary Sewer System in the approximate amount of \$2,800,000. General Obligation Bonds will provide the City with lower interest rates and favorable terms.

Staff evaluated different repayment periods for the Bonds and are recommending a 15-year repayment for this issue. The City has certain outstanding bonds that are being paid from the Sewer System with payments through 2026 and, as a result, the repayment schedule for the proposed Bonds will be kept at a minimum through 2026 with level payments thereafter. By wrapping the payments on the proposed Bonds around the existing payments being made from the Sewer System, the City can avoid a rate increase for the Sewer System as a result of this project. Also, after 2026, the amount of debt service being paid from the Sewer System will decline from approximately \$450,000 to \$300,000 thereby giving the City the flexibility to finance future projects inside of the existing rate structure for the Sewer System.

MOTION by Mottola, second by Richardson to issue approximately \$2.8 million in General Obligation Bonds for the Sanitary Sewer System Improvement Project.
MOTION approved unanimously.

It was noted that if the City gets Federal funds from the American Rescue Plan Act, we may be able to use those funds to help finance the project. It is unknown at this time if this project would qualify since the regulations have not been issued yet. It was recommended to proceed with the bond issue for now and re-evaluated before the bond sale if the regulations have been issued and this project qualifies.

5. Municipal Financial Advisor's Agreement – Sewer Collection System Improvements:

The City has identified certain sewer system improvements that need to be made. The Council will consider adopting a resolution that authorizes the public sale of general obligation bonds to finance the sewer improvement project. As part of this financing, the City will consider engaging Raymond James & Associates to serve as Municipal Advisor for the sale of the General Obligation Bonds. The General Obligation Bonds, Series 2021-B will pay the cost of the sewer system improvements.

MOTION by Mottola, second by Richardson to engage Raymond James & Associates as Municipal Advisor for the public sale of the City's General Obligation Bonds, Series 2021-B.
MOTION approved unanimously.

NEW BUSINESS

1. Utility Dept. Purchase two new pick-ups:

The Utility Department needs to replace a 1999 Chevy 1500 pickup and a 2003 Chevy 2500 pickup and purchase 2 new pickup trucks. Sealed bids were requested from Rusty Eck Ford, Don Hattan Ford, and Mel Hambelton Ford for two (2) 2022 Ford-F250 4WD trucks. The 1999 and 2003 Chevy pickups will be auctioned on Purple Wave. The bids are as follows:

Vendor	Bid/Quote
Rusty Eck Ford	
(1) 2022 F-250 4X4 Pickup Truck - No Tax - Sewer	\$29,237.00
(1) 2022 F-250 4X4 Pickup Truck - Taxed - Electric	<u>\$31,429.78</u>
Total	\$60,666.78
Don Hattan Ford	
(1) 2022 F-250 4X4 Pickup Truck - No Tax - Sewer	\$32,400.00
(1) 2022 F-250 4X4 Pickup Truck - Taxed - Electric	<u>\$34,830.00</u>
Total	\$67,230.00
Mel Hambelton Ford	No Bid

MOTION by Allen, second by Cardwell to approve the purchase from Rusty Eck Ford for (1) 2022 F-250 Ford 4X4 Pickup Truck in the amount of \$31,429.78 to be dispersed from the Electric Department fund #511-09-616.

MOTION approved unanimously.

MOTION by Allen, second by Mottola to approve the purchase from Rusty Eck Ford for (1) 2022 F-250 Ford 4X4 Pickup Truck in the amount of \$29,237.00 to be dispersed from the Sewer Department fund # 513-12-616.

MOTION approved unanimously.

ORDINANCES & RESOLUTIONS

1. Ordinance Authorizing for Sanitary Sewer Improvements:

As previously discussed by the City Engineer, and the final draft report of the 2020 Sanitary Sewer update, it is necessary to adopt an ordinance authorizing the City to proceed with the update to the Sanitary Sewer collection system project and to authorize the City to issue bonds for this Project. The Ordinance further authorizes the issuance of the City's general obligation bonds in a total amount of not to exceed \$2,870,000 to pay the costs of the Project.

The City's Financial Advisor, Greg Vahrenberg of Raymond James & Associates, Inc. is recommending that the City issue Bonds for the purpose of paying the costs of the Project. The proposed resolution authorizes the public sale of those bonds on Monday, June 7, 2021. The resolution authorizes the publication and sending of the Notice of Bond Sale to prospective bidders of the bonds with an expected closing date for the new bonds on or about June 24, 2021.

MOTION by Cardwell, second by Mottola that the council adopt Ordinance No. 1538, determining it necessary and advisable to, acquire, construct, and install the update to the Sanitary Sewer collection system and finance the costs thereof through general obligation bonds.

MOTION approved unanimously.

ORDINANCE NO. 1538

AN ORDINANCE OF THE CITY OF MULVANE, KANSAS, AUTHORIZING THE CITY TO MAKE SEWER IMPROVEMENTS; AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS IN AN APPROXIMATE PRINCIPAL AMOUNT OF \$2,870,000 TO PAY THE COSTS OF THE SEWER IMPROVEMENTS.

2. Resolution Authorizing for the Sale of Bonds for Sewer Improvements:

MOTION by Cardwell, second by Mottola to adopt Resolution No. 2021-10 authorizing the public sale of approximately \$2,870,000 in the City's General Obligation Refunding Bonds, Series B, 2021, setting the date, time, and place of the sale of the bonds.

MOTION approved unanimously.

(There was clarification to the motion as the resolution was drafted).

RESOLUTION NO. 2021-10

A RESOLUTION OF THE CITY OF MULVANE, KANSAS, AUTHORIZING AND PROVIDING FOR THE PUBLIC SALE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES B, 2021, IN A TOTAL PRINCIPAL AMOUNT OF APPROXIMATELY \$2,870,000; SETTING FORTH THE DETAILS OF SAID PUBLIC SALE; AND PROVIDING FOR THE GIVING OF NOTICE THEREOF.

ENGINEER

1. Project Review and Update:

City Engineer, Chris Young, reviewed project updates with the council which included: E. Mulvane Street Drainage, Sanitary Sewer Study, Hidden Valley Addition, Emerald Valley Estates Phase 2, and Drainage Improvements.

ANNUAL BUDGET PRESENTATIONS

The following Department Heads reviewed their 2022 budgets with the council and answered questions.

1. Public Works – Kevin Baker
2. Swimming Pool – Megan Bryant – Council asked about the chlorine shortage. Bryant advised there should be enough chlorine for the summer.
3. Utilities – Brad Modlin

City Clerk: Advised the council the filing deadline to run for office is June 1st at noon and codification updates are available for council code books.

City Administrator: None – Not present.

City Attorney: J. T. Klaus reminded the council that he is the Bond Counsel to the Kansas Power Pool and wanted to make sure the council knows he has that roll and is not in conflict, nor has he rendered any financial advice, but wanted the council to know the responsibility he has to other clients.

The bond issue KPP is doing now in being underwritten by Greg Vahrenberg's firm. Vahrenberg asked not to participate in any discussion regarding this because it could benefit him one way or another depending on how the financing goes.

Consent Agenda Items 1 - 5:

MOTION by Mottola, second by Richardson to approve Consent Agenda items 1 - 5.

1. Approve a Liquor license for Cancun Restaurant LLC dba *Candiles Mexican Grill*.
2. Approve the purchase of 1-2022 F550 Ford 4WD Pickup with mounted crane from Rusty Eck Ford in the amount of \$81,153.00 to be dispersed from Sewer fund #513-12-616.

3. Accept the low bid from Stanion for the total amount of \$17,843.91 for the twenty-two (22) wood power poles for the Utility Dept.
4. Payroll dated 4-30-21 (\$222,044.79)
5. City Utility Bills (\$16,881.51)

MOTION approved unanimously.

ANNOUNCEMENTS, MEETINGS, AND NEXT AGENDA ITEMS:

- Monday, May 17th - next council meeting @ 7:30 p.m.
- The City is a co-sponsor of the City-Wide Cleanup (Clean Mulvane) being held on Saturday May 8th from 9:00 – 12:00 and located on Wildcat Blvd.

ADJOURNMENT:

MOTION by Richardson, second by Mottola to adjourn the City Council meeting at 8:52 p.m.

MOTION approved unanimously.

Minutes by:
Debra M. Parker, City Clerk