

MULVANE CITY COUNCIL
REGULAR MEETING MINUTES

January 21, 2019

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: Brent Allen, Jenean Keck, Nancy Mottola, Kevin Cardwell and Barry Fleming.

Others Present: Debbie Parker, Kent Hixson, J.T. Klaus, Gordon Fell, Mike Robinson, Joel Pile, Chris Young, Brad Modlin.

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

Approval of Regular Meeting Minutes Dated 1-07-19:

MOTION by Mottola, second by Fleming to approve the Regular meeting minutes dated 1-07-19.

MOTION approved unanimously.

Correspondence: None

Review and Closing of the Agenda: None

Appointments, Awards and Citations: None

OLD BUSINESS

1. Boxelder Power Plant Closure- KDHE Aboveground Fund Consent Agreement:

In January 2017, the City officially abandoned its Boxelder Power Plant and requested the cancellation of its KDHE operating permit. A Phase II Limited Site Investigation (LSI) was conducted and indicated the presence of petroleum hydrocarbons in the soil and groundwater.

The City made application and has been accepted into the Ks. Petroleum Storage Tank Release Trust Fund. The KDHE will develop a scope of work and obtain bids to properly remove the aboveground storage tanks on the Boxelder site. The next step is for the City to approve the KDHE Aboveground Fund Consent Agreement and Final Order.

The KDHE Storage Tank Release Fund requires the City to pay a \$3,500.00 deductible. The City will then be eligible for reimbursement for corrective actions.

MOTION by Keck, second by Fleming that the City approve the Aboveground Fund Consent Agreement and Final Order with KDHE related to the Boxelder Power Plant Decommissioning, pay the \$3,500.00 deductible, and authorize the Mayor to sign.
MOTION approved unanimously.

NEW BUSINESS

1. Purple Wave Agreement to Sell City Equipment:

The Utility and Emergency Service Department currently has old equipment and vehicles that need to be sold. Staff recommends entering into an auction engagement agreement with Purple Wave Auction. Staff feels like we will get the best price with the agreement, and the equipment will be out of town and not mistaken for City owned property after the sale. We have no reserve or minimum bid requirement on the items to be auctioned. The Auctioneer will collect and retain a 10% buyer's fee from all winning bidders.

MOTION by Keck, second by Allen to approve the Auction Engagement Agreement - State of Kansas Agency, with Purple Wave Auction and authorize the Mayor to sign.
MOTION approved unanimously.

2. City Buildings – Phone System Agreement:

The City Hall Facility, Police Department, Station 1 and Station 2 all have an on-site telephone server. This server handles call distribution, voicemail and other features. In December the City was notified by our current telephone provider Comm Link, Inc. that our phone systems were reaching end of life on 12/31/2018. The means that the support license was expiring, and equipment would need upgraded in the event maintenance needed to be performed.

Over the past month staff has gathered telephone cost proposals from several vendors to try and determine what would be the best plan of action. Bids were received from Comm Link, Inc. (current phone system provider), All Covered (current IT provider) and Cox Communications (current dial tone and internet provider).

After reviewing all the proposals, it is staff's recommendation to accept an agreement with Cox Communications. This would not require any initial investment, and there is some savings in the cost per line. Council asked about the reliability of the service if the lines were down. There are some forwarding options available and the internet service should help prevent this. Cox is required to be up 99.99% of the time. There were also concerns about the end of life for this equipment.

The City Attorney had concerns about false positives on the phone line which would still have a dial tone even if the line is not working. The City also needs to make sure we have in writing something that shows this agreement will replace our current agreement. Cox needs to know we are using this for a 911 service.

MOTION by Keck, second by Cardwell to enter into an agreement with Cox Communications to

provide a hosted voice phone system for the City of Mulvane pending review and approval by the City Attorney.

MOTION approved unanimously.

3. 410 E. Main – Internet Service Agreement:

Internet connection is a needed service at the new Police Department located at 410 E. Main. Cox Communications has fiber access to the facility. The fiber connection will provide a faster communication speed for current and future operations within the Police Department. The connection was suggested by Nathan Werth (All Covered).

MOTION by Fleming, second by Cardwell to enter into an agreement with Cox Communications to provide a fiber internet service for 410 E. Main (Police Department) pending the City Attorneys review.

MOTION approved unanimously.

4. Belle Plaine EMS Agreement:

Over three years ago, the City of Mulvane entered into an agreement with the City of Belle Plaine to provide EMS service to their city and the surrounding area in Sumner County. Belle Plaine agreed to pay \$60,000 per year to Mulvane as well as turning over their EMS subsidy from Sumner County amounting to \$88,000 per year. After three years, the results have been positive from Belle Plaine and Sumner County. This agreement will auto renew each year unless terminated by either party. The City Attorney reminded the council that the terms should still be reviewed annually.

The City will continue to receive \$148,000 from Belle Plaine for EMS service provided by Mulvane. The council wanted to make sure the City was not subsidizing ambulance service to other communities. There was discussion about the call volume and how this affects the citizens.

MOTION by Allen, second by Fleming to approve the EMS agreement with the City of Belle Plaine and authorize the mayor to sign.

MOTION approved unanimously.

ORDINANCES & RESOLUTIONS

1. Ordinance to Establish a Parallel Generation Charge:

The City Attorney explained the proposed ordinance to the council. The City operates an electric utility for its citizens and is a member of The Kansas Power Pool (KPP). Kansas law provides that if a residential or commercial electric customer installs its own electric generation system, such as solar panels or wind turbines, the customer can enter into an agreement with the City where the City will purchase the generated electricity and netting the same against the customer's electric bill. Kansas law further imposes certain limits upon the price paid by the City for such electricity.

The City's costs of providing electricity are mostly fixed costs (plant, transmission, personnel, etc.) Only a small part of the costs of providing electricity are based upon the amount of

electricity sold, such as fuel costs. However, electricity is purchased and sold by the City by a price per kWh (which varies each month). Since the City would purchase such a customer's generated electricity and netting it against their bill, that customer would no longer be paying its share of the City's fixed costs. Such an arrangement would result in the City being required to raise rates to cover fixed costs and other customers "subsidizing" the generating customer's portion of fixed costs.

The KPP has proposed a solution in the form of a "parallel generation charge" and provided the formula to calculate such charge. Any customer that installs an electric generation system and wants to sell that electricity into the City's system would be charged this parallel generation charge. The formula calculates the customer's share of the City's electric system fixed costs and charges it back to the customer, so that the "credit" received by the customer from selling electricity to the City would only credit the variable costs of the electricity the customer avoided using.

In order to preserve the financial integrity of the electric utility, maintain the agreed-upon reserves, and complete the projects in the CIP, the City Council should consider adopting the parallel generation charge to ensure that the fixed costs of providing power are adequately charged to all the City's electric customers. It is important to ensure that current customers are paying for their portion of the utility's operating and infrastructure costs.

MOTION by Mottola, second by Allen to adopt Ordinance 1511 amending the City Code to establish a parallel generation charge for certain electric customers.

MOTION approved unanimously.

ORDINANCE NO. 1511

AN ORDINANCE AMENDING TITLE VII, CHAPTER 700, ARTICLE IV, TITLED ELECTRICAL RATES OF THE CODE OF THE CITY OF MULVANE, SEDGWICK AND SUMNER COUNTIES, KANSAS.

MULVANE LAND BANK

MOTION by Keck, second by Mottola to recess the City Council meeting and convene as the Mulvane Land Bank.

MOTION approved unanimously.

MOTION by Fleming, second by Keck to approve the Land Bank Board of Trustees meeting minutes dated 1-07-19.

MOTION approved unanimously.

MOTION by Mottola, second by Fleming to approve paying the City utility bill at 201 W. Main in the amount of \$181.64.

MOTION approved unanimously.

City Attorney reviewed the real estate purchase agreement for 100 & 102 W. Main with the Board. The buyback option was discussed and the phases of improvements as it relates to payments.

MOTION by Fleming, second by Allen to approve the real estate purchase agreement for 100 & 102 W. Main between the Mulvane Land Bank and Beck Company, upon the verification of Exhibits by the City Attorney, and authorize the Land Bank Chairman to sign.

MOTION approved unanimously.

MOTION by Keck, second by Fleming to approve the 2018 Annual Report for the Mulvane Land Bank.

MOTION approved unanimously.

MOTION by Keck, second by Mottola to adjourn the meeting of the Mulvane Land Bank Board of Trustees and reconvene as the Mulvane City Council.

MOTION approved unanimously.

ENGINEER

1. Project Review and Update: Chris Young, City Engineer, reviewed the project report with the Council. English Park and Styx Creek Drainage Improvements, Decommissioning of the Boxelder Power Plant, Water Distribution GIS mapping, Meadow Crossing, Homestead Sr. Living and Sports Complex Maintenance Facility.

Young reviewed an email he sent on 1-15-19 to Branden Strahm, the engineer for Olsson Associates that was working for the BNSF railroad regarding drainage issues.

City Clerk:

2019 Local Election Information:

Mulvane will have a General Election for City Council positions on November 5, 2019. Anyone interested in running for Mulvane City Council must file for office at the Sedgwick County Election Office by noon on June 3, 2019 and pay the \$20 filing fee. Forms to be completed may be obtained at the Election Office or online.

City Administrator:

Use of Casino Property Tax and Gaming Revenue:

The City Administrator passed out a summary sheet that reviewed how the City has used the property tax and 1% gaming revenue from the Casino since it began operating in 2011.

City Attorney:

Proposed bond issue refunding:

The City Attorney briefed the council that staff received two proposals for a “current refunding” of the callable portion of the Series A, 2013 and A, 2014 General Obligation Bonds that can be completed on or after July 3, 2019, which is 90 days in advance of the redemption date for the refunded bonds. Based upon current interest rates, the estimated savings to the City from this refinancing would be \$221,865.28, which equates to a “present value savings percentage” of

3.12% after cost of issuance. If this refunding is completed, it will require the City to amend the 2019 budget at the end of this year.

The City Attorney advised more than 30 days has passed for Augusta to file a petition to have the Supreme Court review the Court of Appeals decision regarding the water agreement. It appears this has been settled. It was also noted there are other benefits the City has because of the Casino, such as the water tower and enhancements to our sewer treatment plant.

Consent Agenda Items 1 and 2:

MOTION by Keck, second by Allen to approve Consent Agenda items 1 and 2.

1. Payroll Dated 1/11/19 (\$207,258.12)
2. Wastewater Treatment Plant - purchase of 30,000 lbs. of ferric chloride for \$6,852.00 and 48,000 lbs. of sodium hydroxide for \$9,816.00 at a total cost of \$16,668.00.

MOTION approved unanimously.

ANNOUNCEMENTS, MEETINGS AND NEXT AGENDA ITEMS:

- Monday, Feb. 4th - Next council meeting @ 7:30 p.m.

ADJOURNMENT:

MOTION by Allen, second by Fleming to adjourn the City Council meeting at 9:05 p.m.

MOTION approved unanimously.

Minutes by:
Debra M. Parker, City Clerk