

The Council of the City of Wellington, Kansas, met in a Work Session on June 26, 2017 at 6:00 p.m., in the City Council Room, City Administration Center, with City Manager Shields filling in for Mayor Hansel, who was in route.

The Pledge of Allegiance was led by Manager Shane Shields.

Council members Kip Etter, Kelly Hawley, Jan Korte, and Jim Valentine were present at roll call. Mayor Shelley Hansel and Council members Bill Butts and Vince Wetta were absent at roll call.

Members of the Staff present were, City Manager Shane Shields, Finance Director/City Clerk Carol Mericle, Public Utilities Director Jason Newberry, Public Works Director Jeremy Jones, Golf Course Director Derek Harrison, Chief of Police Tracy Heath, and Fire Chief Tim Hay.

AGENDA ITEMS

Kansas Power Pool. City Manager Shields opened the meeting and introduced Mark Chesney with KPP. Mark Chesney dispersed a handout to the council. He announced that Gus Collins with the City of Winfield was appointed to fill an unexpired term on the KPP Board of Directors. He will serve on the board until 2018. The KPP also has three other seats that will be available in the fall of this year and those members can't be reappointed. Mr. Chesney said a nominating committee will gather and prepare nominations to be appointed to the KPP Board. The discussion regarding representation from Wellington has been noted and will be considered. He stated this will happen commencing at the annual meeting of KPP in December of 2017. There are twenty four people on the Board of Directors. Mr. Chesney told at the current time the City of Winfield and the City of Oxford have approved the contracts that were presented to their cities. The City of Attica has indicated they aren't ready to vote on the contract yet. Wellington is the second largest city in the KPP pool and is very important to KPP and KPP is hoping that the contract with the City will be voted on by the Council at the next meeting. Council member Etter shared a concern regarding no Wellington member being appointed to the KPP Board of Directors. Mr. Chesney said all cities have a member that serves on the committee with KPP. However the Board of Directors has a closer relationship with policies etc. Mark Chesney told that we should have a practical guarantee on the Board of Directors with Wellington being who they are. He stated decisions to buy into a power plant or secure a new power generating resource to construct a new transmission line are decisions made by the members. Council member Etter gave a heads up to the potential Council members who take seats next year that he is concerned about the length of the contract from 20 to 40 years. Council member Etter told that most everything regarding the KPP is a very positive, it's just the council is trying to make sure that the City of Wellington is protected. He believes that is beneficial for the City of Wellington to make sure that a position on the Board of Directors is guaranteed. Mr. Chesney apologized if the City thought they were promised a position on the Board, as a guarantee is not realistic. He said the proportional financial impact on every city is equal. All cities are important, no matter how big or little.

Mayor Hansel entered the meeting at 6:16 p.m. and was present for the rest of the meeting.

Mayor Hansel and Council member Korte are in favor of voting for the KPP contract to be signed. City manager Shields will bring the contract back to the Council at the July 18th meeting.

2018 Preliminary Budget. City Manager Shields presented the 2018 budget and described what went out with this agenda. The non-levy funds were discussed first. He explained the notes on page 3 regarding the employee benefit contribution fund 114. Claims vary from year-to-year based on the health issues of our employees. With the trending deficit in past years and using the average for 2017 and 2018, there will be a deficit of \$187,100 at the 2018 year-end. Council member Etter remarked about the wellness programs and that the city is not as active as it should be. He told of the employee benefit plan that the city has and that it is a very rich plan. He also feels that the health committee needs to look at the wellness programs. Council member Etter stated he would like to have a council member on the health

insurance committee. Director Jones concerns are the volume of usage vs. the price of the services. Overall use of prescriptions is a huge concern. Council member Etter suggested using the Recreation Center to help the City employees with the wellness program.

Manager Shields continued with the budgets of the Special Liability Fund, Hospital Sales Tax fund, Special City Highway Fund, Special Drug and Alcohol Program Fund, and Special Parks and Recreation Fund. He told the Tourism and Convention Fund receives revenue from the 6% transient guest tax. The Chamber has requested \$40,000 which includes \$10,000 for community advertising and we have reduced that to \$5,000. Also budgeted is a reimbursement of General Fund of \$7,000. That still leaves \$7,500 to be reimbursed in the future for prior years. Council member Etter asked if those funds can be used on the Welcome flags for Wellington. Mayor Hansel explained that the transient tax has to be used on things regarding tourism and promotional things with the idea is that you regenerate the fund by attracting guests into town.

Manager Shields told the Equipment Reserve Fund and the Capital Improvement Fund budgets may change due to budget restraints. He told the needed increase of the Golf Subsidy from the General Fund to accomplish the requested budget is not available and that requires eliminating the two capital projects requested, a cart storage building renovation and a rental cart storage building, and eliminating an additional full-time position requested.

Manager Shields told that the Utility Fund budget had been reduced and further reduction is necessary. The capital projects requested is included. He reviewed the Sanitation Fund budget for 2018 ends in a deficit of \$33,070 if there is no fee increase. Council has asked for a proposal to implement city-wide automated recycling and trash service. Director Jones advised in March the need of an increase in the trash fees by 5%, which is \$.71 per month to residential. He now recommends going to \$.75 per month. That raises the fee to \$15.00 a month. He made reference to the hand out sheet that shows 50% recycle rate- dated 2017. A fee increase is needed no matter what the outcome is. Manager Shields told that the truck budgeted for 2017 has not been purchased yet as the funds were not available. It is on the budget for the year 2018.

Manager Shields stated the Wellington Municipal Airport Fund has changes that need to occur. The capital improvement has had several adjustments, relating to the runway project and the personnel change.

He also covered the funds regulated by State Statute, which are the Ambulance and Firefighting Fund, and the Library Fund. He added the Bond and Interest Fund budget needs to meet expenditures and provide the expected contingency amount, which requires a slight increase from the current levy.

Manager Shields explained the General Fund and the requested contribution funding that was sent to the Council and what is proposed. The revenue transfers are from the Utility and Sanitation funds in the amount of 10%. The transfer to Equipment reserve is \$300,000 and the transfer to Capital Improvement is \$300,000. Wages were calculated as an increase of 2%. The cost could be divided between a COLA and a possible merit increase. He reviewed the summary for the General Fund as given in the budget hand out. Further reduction is necessary. He said the two options to accomplish that are either an increase in revenue, a decrease in expenditures, or a combination of both. Under the new tax lid law calculations, the city would have the authority to increase by 4.955 mills. Manager Shields stated wage increases are another reduction that can be done away with, however with the potential to raise employee's healthcare costs and the fact that we are losing employees with the current wages, but that would be the City Managers last resort. Council member Etter asked if we have the ability to look at different departments and give wage increases. Manager Shields answered yes. Council member Korte told that she feels the Sanitation department is very under paid and they do a lot for public health and wellbeing. Utility

Director Newberry told that the Electric department is very under paid. Most linemen once they receive their journeyman, which takes about three years, look to somewhere else for better wages. Chief Hay said that in some instances, they are in the same situation, as EMT's or paramedics are sought after from other cities. Other departments were discussed.

Manager Shields told of the meetings needed to approve the final budget. The notice of budget hearing on August 1st meeting so it would be published by August 8th, and the public hearing could be on August 15th, 2017, to get to the County Clerk by August 25th. He recommends a special meeting to approve the budget on August 22nd. The final Budget Work Session was scheduled for July 25th at 6 p.m.

Manager Shields asked what the Council's consensus is about the remaining \$54,000 in the budget for the golf course. Council member Etter spoke about the good that the golf course brings into town. The amount of money that the golf course operated on compared to other municipalities and the amount of money they have to spend is very conservative. Golf Director Harrison said he spoke to Cheney City Manager about their golf rates and budget for subsidy each year. He agreed that the reason people are going to small communities are so short that you have to continue to invest in those types of properties to continue to give people a reason to come to town. Director Harrison told of the State tournaments held here and other events that bring money to Wellington.

Manager Shields reminded Council of the next regular meeting on July 18, 2017, the next budget work session on July 25, 2017, and the special budget meeting on August 22, 2017.

The meeting was adjourned.

Approved and filed this 18th day of July, 2017.

Mayor

City Clerk