

The Council of the City of Wellington, Kansas, met in a Work Session on July 9, 2018 at 6:30 p.m., in the City Council Room, City Administration Center, with Council member Jim Valentine presiding.

The Pledge of Allegiance was led by Council President Jim Valentine.

Council member's Kip Etter, Kelly Hawley, Jennifer Heersche, Kevin Dodds, Joe Soria, and Jim Valentine were present at roll call. Mayor Shelley Hansel was absent at roll call.

Members of the Staff present were, City Manager Shane Shields, and Finance Director/City Clerk Carol Mericle, Public Works Director Jeremy Jones, and Fire Chief Tim Hay.

REPORTS OF CITY OFFICIALS

Council discussed the Board of Zoning Appeals vacancy and application from Jason Symons. Council thanked him for attending this evening. The position will be voted on at the July 17th meeting.

City Manager Shields explained the budget as presented at the Work Session on June 13, 2018. He told Council of the possible ways to go forward with the 2019 Budget. The first option is to levy the total computed tax limit of \$2,601,754 and would result in a levy of 37.184. This is an increase of 2.602 mills. He said the General Fund expenditures would have to be reduced by \$28,900. The second option is to levy tax dollars near the amount of the 2018 budget, \$1,558,733, and would result in a levy of 35.381, which is an increase of .799 mills. In that option, General Fund expenditures would have to be reduced by \$100,150. City Manager Shields continued with the third option to levy the tax dollars in the amount of \$1,523,514 and would result in no change to the tax levy. The current levy is 34.582 and General Fund expenditures would have to be reduced by \$131,700. He added that options are available to reduce the expenditures. Council needs to determine contribution funding amounts which are currently set at requested amounts. If contribution funding from the General Fund is reduced, it will reduce expenditures. A reduction of the appropriation to the Golf Fund would necessitate a delay or reduction in golf cart purchases. Reducing transfer amounts to Capital Improvement and/or Equipment Reserve funds would necessitate delay of capital projects or items. Other recommendations are to consider reducing General Fund payment to the Special Liability Fund, reduce operating budgets, and increasing General Fund revenue. City Manager Shields continued a Utility Fund increase in the transfer to General Fund of 1% would be \$187,611. And Council could reduce the planned wage adjustment set at 2%. He again referred to the contribution funding and said the contribution amounts for the Chamber and SCEDC do not come from the General Fund, but are from the Tourism Fund and Utility Fund. He added information on funding of the 9th Street project. The Comprehensive Plan with costs of \$70,000, would possibly have some grant options. He told the Strategic Plan would require separate funding, and the Hillside paving project is not included in this budget.

Council member Etter said he liked the option of not increasing tax dollars and of using special liability funding. He was in favor of raising revenue from fee increases, and increasing the Utility transfer. He also wants to raise some department wages for departments that can't retain employees. Council member Etter recommends using the Quiet Zone money to pay for the 9th Street project. He also feels the Hillside paving plan is something that needs to be left for future projects and asked about the LED lighting for the street lights. City Manager Shields told that this is a project that will be done in levels each year.

Council member Dodds agrees with Council member Etter on no tax increase but believes it is not a good idea to tap the Utility Fund, and recommends increasing the transfer by a ½ %. He also wants to reduce the amount of golf carts that will be purchased by half of the requested amount. City Manager Shields told of the cost of the golf carts vs. batteries to repair the current carts. If the City reduces the

amount to 5 carts, we would still need to replace 5 batteries for the other ones. Council member Dodds would like to increase wages to 3% instead of the 2% suggested. Council member Valentine asked about the contingency of the General Fund. City Manager Shields stated it is \$700,000 at this time. Council member Etter asked that if the City was to exhaust that Fund, could we move that money from the Utility Fund surplus. City Manager Shields told an unexpected transfer would be a potential issue. Part of that \$700,000 is to help with the carry over at year-end. Council member Etter asked about the individual wage increase for specific departments. City Manager Shields told that staff has been addressing Water and Wastewater Department wage increases this year and the Police Department had a wage increase last year. The Sanitation Department is in its own fund. The 2% wage increase could remain the same for the increase and also a merit raise could be added for employees that deserve that as well.

Council member Hawley stated that she would like to see wages increased, but doesn't want it to come from the Utility Fund. The Comprehensive Plan funding of \$70,000 would be more useful if we used it for wages at this time. She doesn't want to see Hillside paved at this time. Council member Hawley would like to see a Planner or Engineer on the staff someday.

Council member Heersche stated she would like to give the \$70,000 to employee wages.

Council member Etter suggested increased wages to departments that need training so they won't leave as soon as they are trained. City Manager Shields answered questions about the City health insurance and told that we have changed from self-funded to fully insured for the City employees. The City is no longer paying the claims itself. Director Jones stated the Employee Benefit Fund balance has slightly increased since that change.

Council member Etter asked if the Sanitation Fund proposal for a transfer station, and a purchase of two trash trucks and a front loader was done, where the funding would come from. City Manager Shields stated it would come from the Sanitation Fund.

City Manager Shields stated the consensus would be the Special Liability amount of \$75,000 used for wages and the Utility Fund transfer increase of ½ %. The Golf Fund appropriation consensus is to reduce the purchase to 5 carts. He added the Comprehensive plan seems to be in consensus to reduce that to \$30,000 for a Strategic plan. City Manager Shields with those changes that reduces the \$131,000 that is needed for the budget without raising taxes and keeping the levy the same. The question is now the Utility Fund and enabling the additional wage increase above the 2% increase already in the budget. City Manager Shields recommends 2% across the board and an additional increase for merit.

Council member Heersche would like to see Sanitation wages increased. Public Works Director Jones feels like there is more business for the Landfill from discussion with the haulers and growth potential. That amount of money would help to increase the wage issue with Sanitation Department. Council member Soria asked about a fee increase for haulers at our Landfill. Director Jones stated that an expected increase every two years would be reasonable

Council member Valentine told that no one wants an increase in taxes for our citizens.

City Manager Shields again stated the consensus for the budget approval. This will determine how the Council breaks down what is needed most. This might be a time consuming task. The budget brought to you will have the total number to know where we need to be. During the year, we revise budgets and that will determine what we accomplish in personnel. He asked for a recommendation for the contribution funding. After discussion, the Council consensus for the Contribution funding is to leave the amounts as they were in 2018.

OTHER

City Manager Shields told of a fire that happened today at the Turbine that was caused by an oil leak. Staff had gone out to start the Turbine and they heard a problem when leaving the area. Staff called the Fire Department. He added it doesn't appear to be significant damage to the Turbine.

A motion to adjourn was made, seconded and carried.

Approved this 17th day of July, 2018.

Mayor

City Clerk