

The Council of the City of Wellington, Kansas, met in Regular Session on August 21, 2018 at 6:30 p.m., in the City Council Room, City Administration Center, with Mayor Shelley Hansel presiding.

The Pledge of Allegiance was led by Mayor Shelley Hansel.

The Invocation was given by Reverend Wes LeFlore of Church of Christ.

Council members Kip Etter, Kelly Hawley, Jennifer Heersche, Kevin Dodds, Joe Soria and Jim Valentine were present at roll call.

Members of the Staff present were City Manager Shane Shields, City Clerk/Finance Director Carol Mericle, City Attorney Shawn DeJarnett, and Assistant City Manager for Utilities & IT Jason Newberry.

AUDIENCE PARTICIPATION

Bill Rhiley-Crestview Heights. He asked the Council not to suspend the special assessments, but to abate them on the properties in the Crestview Heights addition. There are approximately five years left on the special assessments. Mr. Rhiley asked for questions from Council. Council member Etter asked City Manager Shields what legally the Council could do at this point. City Manager Shields stated that the Council does not have the ability to suspend the taxes but could abate them, if Council approves. In the past Council has not abated the specials on privately owned property just City owned property. City Attorney DeJarnett told that Council could abate them for a period of time. This was also discussed with bond counsel and they agreed regarding abatement of properties. Mr. Rhiley asked what the original term was for the assessments. City Clerk Mericle answered they began in 2008. Council member Dodds asked who pays for the bonds if we abate those properties. City Manager Shields told that the City at large would pay for the bonds. Council member Etter asked for amounts of the Specials. City Manager Shields quoted amounts of the 22 lots without streets with Specials of \$670 each, and 1 lot with street access of approximately \$1700 annually. Council member Etter asked Mr. Rhiley about his intentions with the lots. Mr. Rhiley replied that his intention is over a period of time he would like to develop the lots and place homes there. Council member Hawley shared that she feels it is not a good idea to abate these specials as there are others in the City who would also like to have this done as well. The City cannot afford to do this. Council member Etter agrees with Council member Hawley, without a guarantee of housing being built he would not approve this decision. Mr. Rhiley told that these lots have been through two sheriff sales and he received them for a good price. No motion was made to abate these Special Assessments.

CONSENT AGENDA

Council member Dodds, moved to approve the Consent Agenda. Council member Etter, seconded the motion. The motion carried. The following items were approved under the Consent Agenda.

➤ **APPROVAL OF MINUTES**

- 1) Regular Session of August 7, 2018

➤ **APPROVAL OF APPROPRIATIONS**

- 1) Payroll Report for July 22-August 4, 2018 in the amount of \$240,992.34
- 2) ACH Authorization Voucher #1114 for BCBS for August 8-14, 2018
- 3) Claims Register for August 1-17, 2018 in the amount of \$1,852,462.20

➤ **RECEIPT OF COUNCIL CORRESPONDENCE**

- 1) Clerk's Report for July 2018

- 2) Electric, Waterworks, Sewage Operating Report for July 2018
- 3) Police Activity Report for July 2017
- 4) Ambulance Monthly Financial Report for July 2018
- 5) FIRE/EMS Activities/Overtime/Revenue Report for July 2018
- 6) SRMC Financial Report for July 2018
- 7) HCA Board of Director's Meeting Minutes For July 26, 2018
- 8) Park Board Meeting Minutes for March 12, 2018
- 9) Correspondence from Jack Potucek- Thank You Letters to Several City Depts., for Success of Great Race
- 10) Correspondence from Kansas Power Pool- Invitation to Register for 2018 KPP Fall Planning Retreat
- 11) Correspondence from Wellington Humane Society- Thank You for Contribution

REPORTS OF MAYOR AND COUNCIL

Council member Valentine reminded citizens that the kids are back in school. He wanted to make sure for citizens to be on the lookout for students using crosswalks and crossing streets.

Council member Soria mentioned the new ambulance that the Fire Department has purchased. He is very impressed with the new vehicle. Council member Soria asked about the decision on blight. City Manager Shields stated that after the work session was held on blight, they are looking at implementing some new wording and amending some additional things to our Codes. He told that more information will come at a later date regarding the issue.

Council member Dodds congratulated the Wellington Heat baseball team on taking third in the National Tournament. They had a great season. The baseball team has definitely been a benefit to our community. Mayor Hansel wished Council member Dodds a happy birthday.

Council member Heersche discussed the Job Fair that was held today. She thanked all who attended.

Council member Hawley mentioned that Sherry's Army will be out and about this Saturday. Meet south of the cemetery on Lincoln Street at 8:00 am if you would like to help out.

Council member Etter mentioned the new ambulance and how nice it is. The funding was approved in the 2018 budget for the purchase of the ambulance. City Manager Shields told ambulances are purchased on a rotation schedule based off of mileage and use. He told of the \$50,000 cost from the City's fund and the balance was a lease purchase for the new ambulance. Today the fire department had two calls for transport at the same time from SRMC to Wichita. The fire and EMT crews were glad it was there to be used for one of the runs.

Mayor Hansel thanked Chief Hay for bringing the ambulance by the meeting this evening for viewing. She also mentioned the football and volleyball scrimmage this Thursday. Mayor Hansel told of

several people who are from Wellington and who have succeeded in life that represent Wellington in their careers.

REPORTS OF CITY OFFICIALS

2017 Audit Report-Lonnie Cooper, CPA, CHTD, includes Auditor's Communication Letter to Management (2017 Financial Statement/Audit emailed as attachment). Mr. Cooper reviewed the audited statement to Council and told of the extra federal audit this year. He explained the financial statement shows a negative balance in the FAA fund as the City has to pay this before the federal funds are reimbursed to the City. He explained the different funds and balances as well as the bonds and invested funds. Mr. Cooper told that the City would have another single audit next year which will be done for 2018. He told of two findings on written policies and encumbered expenses that were addressed and corrections needed. City Manager Shields mentioned the City had a contract with Mr. Cooper for this current year only, and Council would need to confirm how to proceed for next year.

Street Closing/Special Events Requests Homecoming Parade, September 20, 6:00 p.m., 3rd & Washington to 8th & Washington. Council member Valentine made a motion to approve the street closing. Council member Heersche seconded the motion. Motion carried.

Street Closing/Special Events Request 2018 Fall Fest, September 22, 9:00 a.m. to 3:00 p.m. 7th-8th on Washington, 7th Street, Heritage Park & Antler's Lot. Council member Hawley made a motion to approve the street closing, Council member Dodds seconded the motion. Motion carried. Executive Chamber Director Kelly Ford told about fall fest that will be held on September 22, 2018 and all that will go on including a Chili contest, 5K run, and craft show running from 9:00 am to 3:00 pm. She said something new will be added this year, and it is a mobile gaming den for four hours 10:00 am to 2:00 pm. At the next meeting we will have a street closing for the 5K Fun Run. The Chamber will have t-shirts available for sale as well.

League of Kansas Municipalities Voting Delegates-League Letter & Delegate Form & Memo from City Clerk Mericle. City Manager Shields told that Council needs to designate 3 voting officials and up to 3 alternates for this conference. City Manager Shields is attending, along with Mayor Hansel and Council member Heersche. Council member Hawley made a motion to accept the 3 voting delegates as named above. Council member Soria seconded the motion. Motion carried.

PUBLIC HEARING

Public Hearing- 2019 Budget Hearing Affidavit, State Budgeted Forms, Final Budget Notes, and 2019 Capital Expenditures List. Mayor Hansel opened the hearing. City Manager Shields highlighted the budget by starting with the 4 tax levied funds which are the General Fund, Ambulance Fund, Library Fund and the Bond and Interest Fund. The total estimated valuation for 2019 is \$44,054,755 which is a decrease of 2.3% from the previous year. The City may levy a total ad valorem tax of \$2,601,754 which is the grand total of all 4 funds. The governing body has chosen not to levy the tax dollar limit and levy an amount that allows the levy for the General Fund to remain the same. The levy remains at 34.582. He continued within the budget for the General Fund there will be a transfer from the Utility Fund, which is 10.5% of utility revenue, it includes a 2% wage adjustment for all employees, it also includes an additional amount of \$110,000 for wage adjustment for positions that are hard to retain, and the contingency amount of \$700,000. The General Fund also contains the contribution funding. The Ambulance and Firefighting Fund has a 2 mill levy, the Library Fund is limited by a Charter Ordinance for a levy of 5 mills for 2019 and has a budget of \$245,050, Bond and Interest Fund levy is 14.873. City Manager Shields also told of temporary notes for combined projects, and all the non-levied funds. He reported the Capital Improvement Fund's largest item for 2019 will be the 9th Street project, with a total

cost of \$545,000, and how it will be funded. City Manager Shields continued that in the Utility Fund, the Ordinance provides for an automatic increase of 2.25% of electric, water and sewer rates, if Council approves. Before year end, action will be brought to the Council to decide if this rate increase will be enacted. The hearing was closed by Mayor Hansel.

ORDINANCES

AN ORDINANCE APPROVING, ADOPTING AND APPROPRIATING BY FUND THE BUDGET OF THE CITY OF WELLINGTON, KANSAS FOR THE YEAR BEGINNING JANUARY 1, 2019 AND APPROVING THE CAPITAL IMPROVEMENT PLAN FOR THE YEAR 2019 was introduced and considered. City Manager Shields told this is the Ordinance to approve the 2019 budget. Council member Hawley made a motion to approve the Ordinance adopting the 2019 budget for the City of Wellington, Kansas. Council member Heersche seconded the motion. Upon roll call vote, those voting “AYE” were Council members Heersche, Dodds, Soria, Valentine, Etter and Hawley. There were no “NAY” votes. Number 4230 was assigned to this Ordinance.

AN ORDINANCE AMENDING SECTION 10 OF ORDINANCE NO. 4015 OF THE CODE OF THE CITY OF WELLINGTON, KANSAS, AS IT PERTAINS TO A CONTRACT FRANCHISE GRANTED TO SOUTHWESTERN BELL TELEPHONE COMPANY (d/b/a AT&T KANSAS) was introduced and considered. City Manager Shields reported this Ordinance contains the address of the person to contact for this Franchise, and this is for the change of address only. Council member Etter made a motion to adopt the Ordinance as presented. Council member Dodds seconded the motion. Upon roll call vote those voting “AYE” were Council members Hawley, Heersche, Dodds, Soria, Valentine, and Etter. There were no “NAY” votes. Number 4231 was assigned to this Ordinance.

RESOLUTIONS

A RESOLUTION AUTHORIZING THE EXECUTION OF AN ADDENDUM TO DEVELOPER’S AGREEMENT (*includes Addendum-Ridge Investment Group, Dollar Tree*) City Manager Shields reported on the Dollar Tree Store development. To meet that current 5% development requirement it will call for the \$16,500 to be special assessed for improvement to Boundary Road and the City will be responsible for paying \$16,500 portion of the costs of constructing and completing 17th Street, as described in the Developer’s Agreement of May 24, 2018. Council member Soria made a motion to approve this Resolution as presented. Council member Heersche seconded the motion. Upon roll call vote, those voting “AYE” were Council members Valentine, Etter, Hawley, Heersche, Dodds, and Soria. There were no “NAY” votes. Number 5910 was assigned to this Resolution.

A RESOLUTION EXTENDING THE NON-DISCLOSURE AGREEMENT WITH GRIDLIANCE HIGH PLAINS LLC ORIGINALLY AUTHORIZED BY ACTION OF THE GOVERNING BODY ON AUGUST 16, 2016 (*includes NDA Extension Agreement*) was introduced and considered. Assistant City Manager for Utilities Newberry explained the purpose of the NDA. This will allow Gridliance an option to put in another transmission route into town. James Ging of KPP was in attendance at this evening’s meeting and he feels that Gridliance is a good fit for KPP and their members. Council member Valentine made a motion to approve this Resolution extending the NDA with Gridliance. Council member Etter seconded the motion. Upon roll call vote, those voting “AYE” were Council members Etter, Hawley, Heersche, Dodds, Soria and Valentine. There were no “NAY” votes. Number 5911 was assigned to this Resolution.

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BY AND BETWEEN THE CITY OF WELLINGTON, KANSAS, GRIDLIANCE HIGH PLAINS LLC, AND KANSAS POWER POOL, PROVIDING FOR AN EXCLUSIVE NEGOTIATING PERIOD FOR

POTENTIAL TRANSACTIONS INCLUDING NEW TRANSMISSION FACILITIES AND POSSIBLE GRIDLIANCE OWNERSHIP AND OPERATION OF TRANSMISSION ASSETS PERTAINING TO THE CITY OF WELLINGTON'S ELECTRIC UTILITY (*includes GL Exclusivity Agreement*) was introduced and considered. City Manager Shields explained that this would give some protection to the City and Gridliance as well. Council member Etter made a motion to approve the Resolution as presented. Council member Hawley seconded the motion. Upon roll call vote, those voting "AYE" were Council members Hawley, Heersche, Dodds, Soria, Valentine and Etter. There were no "NAY" votes. Number 5912 was assigned to this Resolution.

A RESOLUTION ADOPTING A PURCHASING POLICY FOR THE CITY OF WELLINGTON, KANSAS, AND REPEALING THE EXISTING PROCUREMENT POLICY OF MARCH 18, 2014 (*includes Purchasing Policy*) was introduced and considered. City Manager Shields discussed the updates to the purchasing policy and told it was brought about by the Audit revealing an update was needed to comply with Uniform Guidance Guide issued by the US Office of Management and Budget in relation to Federal Audits. Council member Hawley made a motion to approve the Resolution adopting a purchasing policy for the City of Wellington, Kansas and repealing the existing procurement policy of March 18, 2014. Council member Soria seconded the motion. Upon roll call vote, those voting "AYE" were Council members Heersche, Dodds, Soria, Valentine, Etter, and Hawley. There were no "NAY" votes. Number 5913 was assigned to this Resolution.

OTHER

City Manager Shields reminded the public that the City's 2019 Budget and the 2017 Audit are available on the City Clerk's page of the City's website.

ADJOURN

A motion to adjourn was made. Motion carried.

Approved and filed this day September 4, 2018.

Mayor

City Clerk