

The Council of the City of Wellington, Kansas, met in Regular Session on June 7, 2016 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 Hansel.

The Invocation was given by Reverend Deb Schmidt of First Presbyterian Church.

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

Members of the Staff present were Assistant City Manager Jason Newberry, City Clerk Carol Mericle, Finance Director Shane Shields, Public Works Director Jeremy Jones and City Attorney Mike Brown.

AUDIENCE PARTICIPATION

SRMC Update. Terry Deschaine shared a summary of the last 6 months of operation through April 30, 2016 since the Interim CEO Barry Harding took over. He stated the summary compares with last year's report through April 2015. Mr. Deschaine told cash collections have increased by 11.8 percent, Accounts Receivable improved from 102 days to 59, and through the end of April, they are showing net income, before depreciation, a positive bottom line of \$566,000. They also increased their acute care days by 8.5%, skilled nursing facility volume increased by almost 41%, and their ER visits are slightly increased by 0.2%. He said a couple of things they have done internally is replace their employed surgeon with two contracted part-time surgeons out of Wichita, with savings to the hospital of about \$350,000. Mr. Deschaine also reported the surgery numbers are gradually increasing and all the surgeries being referred to those doctors are being done at our hospital, and a couple of department managers have left over the past year and have not been replaced, but instead spread their duties among existing staff for a savings over \$100,000. He added they have continued to see improved relationships of staff through communication all around, they have improved their patient scores in customer satisfaction significantly, and have engaged an outside billing company which has helped their patient account system and are giving a 50% discount to self-pay patients. He reported they recently added an orthopedic surgeon that has come to the hospital for a number of years, and Mr. Harding has convinced him to start doing cases here so that has already started for hands and maybe moving to knee scopes. They have begun doing lung scans in January which had not been done previously. CEO Harding has agreed to stay on until a permanent replacement is named so that the hospital does not slip back.

Council member Etter asked what portion of monies collected is past collections. Mr. Deschaine responded that they concentrated on old debt early on and they ended up writing off \$600,000 due to late billings that have expired. He added accounts receivable is about 59 days out and is \$5,000,000 right now, which is pretty good. The standard is 60 days out.

Council member Valentine added that the percentage of patients has increased from a year ago so more people are using the hospital. Mr. Deschaine agreed and said capturing that number is difficult but they are aware many people were getting services out of town but having surgeons here means the patients will stay at our hospital. Council member Valentine thanked him for all he was doing.

Council member Butts asked if a Cardiologist would be coming to the facility. Mr. Deschaine explained that it is almost impossible for a small hospital to have a cardiology department due to the cost.

Council member Wetta asked if Medicaid would make a difference. Mr. Deschaine responded that it would increase hospital revenue by \$750-800,000 annually. Between that and the monies that the hospital would no longer have to write off because patients would have coverage, it would be a positive impact of \$800-850,000.

Mayor Hansel encouraged people to keep that in mind in November when voting, electing candidates that support Medicaid reimbursements.

CONSENT AGENDA

Council member Butts moved to approve the consent agenda. Council member Korte seconded. The motion carried. The following items were approved under the Consent Agenda.

➤ **APPROVAL OF MINUTES**

- 1) Work Session of May 16, 2016
- 2) Regular Session of May 17, 2016
- 3) Special Session of May 27, 2016

➤ **APPROVAL OF APPROPRIATIONS**

- 1) Payroll Report May 1 - 14, 2016 in the amount of \$220,951.57
- 2) Payroll Report for May 15 – 28, 2016 in the amount of \$224,937.83
- 3) ACH Authorization Voucher #999 for BCBS for May 11 – 17, 2016
- 4) ACH Authorization Voucher #1000 for BCBS for May 18 - 24, 2016
- 5) ACH Authorization Voucher #1001 for BCBS for May 25 – 31, 2016
- 6) EFT for Airport Fuel for June 12, 2016 in the amount of \$24,319.30.
- 7) Claims Register for May 14 - 31, 2016 in the amount of \$1,227,511.91.

➤ **COUNCIL CORRESPONDENCE**

- 1) Sales Tax & Compensating Use Tax Report for April 2016
- 2) SRMC Financial Report for April 2016
- 3) HCA Board of Director's Meeting Minutes for April 21, 2016
- 4) Library Board Meeting Minutes for April 6, 2016
- 5) Airport Board Meeting Minutes for May 16, 2016
- 6) Building Demo/Permit Report for May 2016
- 7) Safety Newsletter for May 2016 with updated Work Loss Report
- 8) Media Release – Vacancy – Planning Commission – Extended Application Period, with Memo from City Clerk Mericle
- 9) Street Closing Requests for 2016 Wheat Festival, July 7-10, 2016
- 10) Street Closing Request for N. Poplar Block Part, July 4, 2016

REPORTS OF MAYOR AND COUNCIL

Council member Wetta shared that they had a great meeting with the Kansas Department of Health and Environment (KDHE) and that more would be shared on the agenda later.

Council member Korte complimented the Street Department on their great work.

Council member Valentine had several items for discussion. He mentioned the Skate Park vandalism. He had a discussion with Park Supervisor Roy Kabureck who informed him they are in the process of getting what they need to make those repairs within the next 10 days. He also wants to remind the skaters that the park is to be used from dawn to dusk and that the police department will be increasing patrol of that area and neighborhood. He also wanted to discuss the possibility of providing "Lake Vouchers" for those citizens that purchase camping or lake services but for some reason are unable to use it. Director Jones responded that the Lake department tries to work with customers who find themselves in circumstances that prevent them from being able to stay as long as the period they had paid for. They can contact Lake Supervisor Doug Kinney or himself to discuss, because they want to make sure they get the services that they paid for. Lastly, he wanted to report the street light at 4th and Blaine that blinks on and off and when it is off, you cannot see anything. Director Jones said he would look into that issue.

Mayor Hansel shared she had so many comments about how awesome the cemetery looked during Memorial Day so she wanted to thank the cemetery crews and those volunteers that helped with the flags. She also thanked the veterans, including Council members Valentine and Butts and anyone else who served.

She shared that there was a social media page post about a water quality issue that was brought to her attention. She had discussion with Utility Director Newberry and he explained there was a water main break in that area and she asked him to speak more on the issue. Director Newberry informed that the instance referred to that day, was due to a water main break and when that happens, the City has to flush the system which disturbs anything that has settled and causes dirty water. They did not have specific location of the complaint but the main break occurred last Thursday around midnight and the staff started receiving complaints that next morning. He explained that basically all they do is open hydrants in surrounding areas to flush and try to pull the dirty water away from the water main break area. Mayor Hansel added that from what she understands, the water is not harmful. Director Newberry agreed and added that KDHE requires a water standard that the City has to meet but when a water main breaks, that will make the water look dirty. Mayor Hansel also asked about posting a hydrant test schedule. Director Newberry explained that the fire department hydrant test schedule is posted but if they are called out on a fire or ambulance call, it could cause the schedule to vary. Mayor Hansel also discussed that the mosquito spraying started this week and how it is effective against the Zika virus. Our crews have been on top of this and she wants the public to know that the City is using the latest and greatest stuff. Lastly, she welcomed Brad Ewing and his troop of Boy Scouts attending the meeting. He explained that they were there working on a communication merit badge so they were observing a City Council meeting and taking notes to critique things that they would do differently. He also added that they are concerned about rumors he is hearing about a lease at the Girl Scout House at the Wellington Lake, which is their preferred location and facility because the location helps to keep costs down and allows the troops to still have home and community projects and activities. Mayor Hansel thanked them for their Ewing Trash Can project work and said it was just about time to have another one. She thanked them for attending.

REPORTS OF CITY OFFICIALS

Raw Water Update – Utility Director Newberry, KDHE Public Water Supply Section Chief, Cathy Tucker-Vogel & KDHE District Environmental Administrator Allison Herring, JD. Director Newberry said he was asked by Council members Butts and Wetta to share an update. He also invited KDHE representatives to speak at any time, as well. He explained that they met last week with the KDHE and invited them to come here to make sure we are headed down the path they want us to in reference to the Raw Water issue west of the Wellington Lake. KDHE's main concern is the health issue and since meeting with them, we met this requirement by providing bottled water to all customers who are connected to that rural water line west of the Lake; currently we are providing water to eight residents – one has already disconnected and we are hoping three more of those will be disconnected within a week because they have successfully drilled their own private residential well. The other issue from KDHE is the backflow issue at the plant. There is a device that will allow us to cut into a line and put in a new line and prevent backflow cross-contamination of raw water into potable water. Since it is an issue we need to address as soon as possible, we had a conference call with KDHE and their engineer, and we asked for their approval. We utilized our Professional Engineering Consultants (PEC) representative to put together a letter regarding our plan, submitted it to the KDHE and received approval last weekend. So, we have already ordered the device and should receive it later this week, when they will cut the line and get it into place. At that point in time, we will be compliant per KDHE on the safety side of things. With that being said, the backflow device we are putting into place is just a temporary measure; it helps us meet the safety measure they are concerned about and gives the Council some time to decide which direction they want to go in what to do with the customers that are still on rural water. Mayor Hansel asked Cathy Tucker Vogel with KDHE to speak and Council member Wetta asked her to explain the timeline on how we got to this point.

Cathy Tucker Vogel introduced herself, Allison Herring and Sabrina Cantrell. She went thru the findings of fact in the consent order that was received in a recent agenda, on how we got where we are now. Council member Wetta asked if raw water referred to nitrates. Ms. Vogel replied that it was not nitrates, it was raw, untreated, un-disinfected water. She explained that under the direct influence of surface water, it has to be treated just the way we are treating the water we are drawing from the Lake. There were some nitrate issues early on but she believes we are in compliance now. Council member Wetta explained that KDHE is also under the gun and has to do this, according to the law, because the EPA will come in over all of us and take over. Ms. Vogel agreed and added that the EPA Region 7 in Lenexa, KS has oversight of the state of Kansas, Iowa, Nebraska and Missouri. In these types of violations that are long and ongoing, the EPA will come in and file on top of KDHE. Mayor Hansel thanked her for helping us get compliant, being patient and understanding. The City does not want anyone to be in danger nor does it want to be non-compliant. She is not sure why it is taking this long but is glad it is getting taken care of. Ms. Vogel replied that the goal is to make sure the water is safe for our customers to drink. Ms. Vogel explained that they deal with the Federal Government for us. They deal with issues between public water systems that they regulate and EPA. But because of current events, the federal government is taking a much more active approach in their oversight of state activities. She believes we are making some great progress and one of the goals for tonight is to share that if we have questions about the schedule or consent order, or adjustments are needed to be made within reason, to please contact her. Director Newberry discussed the need for a Work Session to address the consent order as fast and as efficiently as we can get it done.

PUBLIC HEARINGS

There were no public hearings included in the agenda.

ORDINANCES

AN ORDINANCE ESTABLISHING MUNICIPAL COURT ADMINISTRATION FEES AND COURT COSTS AND AMENDING SECTION 26-91 OF THE CODE OF THE CITY OF WELLINGTON, KANSAS AND REPEALING ORDINANCE NO. 4081 was introduced and considered. City Clerk Mericle explained that our Municipal Court Clerk drafted this ordinance and it was reviewed by both City Attorney Brown and Judge Korte. It puts us in line with state statutes which means every time the state changes their fees, which has been twice this year, we will not have to have a new ordinance to put us back in line with the state.

Council member Korte moved to adopt the resolution as presented. Council member Etter seconded. Upon roll call vote, those voting "AYE" were Council members Butts, Etter, Hawley, Korte, Wetta and Valentine. There were no "NAY" votes. Number 4192 was assigned to this ordinance.

AN ORDINANCE GRANTING TO SUMNER CABLE TV, INC., A KANSAS CORPORATION, A NON-EXCLUSIVE FRANCHISE TO OPERATE A CABLE TELEVISION SYSTEM IN THE CITY OF WELLINGTON, KANSAS, TOGETHER WITH THE NON-EXCLUSIVE RIGHT AND PRIVILEGE TO CONSTRUCT, USE, MAINTAIN CABLES, LINES AND OTHER FACILITIES IN THE PUBLIC WAYS OF THE CITY, ALL PURSUANT TO CHAPTER 12, ARTICLE 20 AND CHAPTER 17, ARTICLE 19 OF THE STATUTES OF KANSAS was introduced and considered. City Clerk Mericle explained that it is the same fees, does not include internet or telephone – cable television only. The former ordinance ending date did slip by us. When it was found that it had expired, Attorney Brown and their Lawyer Pfalzgraf worked together on this and this ordinance is essentially the same. Mayor Hansel thanked Sumner Cable TV staff for being onsite for questions, if needed. Council member Korte asked the length of the contract and City Clerk Mericle replied 10 years.

Council member Valentine moved to adopt the resolution as presented. Council member Korte seconded. Upon roll call vote, those voting “AYE” were Council members Butts, Etter, Hawley, Korte, Wetta and Valentine. There were no “NAY” votes. Number 4193 was assigned to this ordinance.

RESOLUTIONS

A RESOLUTION APPROVING AND ACCEPTING A BID AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH ANZ (AIR NEW ZEALAND) FOR THE PURCHASE AND INSTALLATION OF A VSV CONTROLLER IN THE GAS TURBINE, FOR THE AMOUNT OF \$30,515.91 FOR THE ELECTRIC PRODUCTION PLANT was introduced and considered. Utility Director Newberry explained the issue of the gas turbine and why it is needed. To fix an oil leak, the entire turbine was removed. They had hoped to get the engine tuned to work the way they needed but after multiple attempts they could not get it to perform. Although the part was not budgeted, he feels that money in equipment maintenance budget will cover it. With the additional two kilowatt increase in performance with the new turbine, we can also expect additional revenue from KPP. Mayor Hansel added after reviewing the other bid proposals, this one from ANZ is \$23,000 less than the next lowest bid. He added that one of the other gas line projects came in under budget so we don't think it is going to be an issue. Council member Korte asked what happens to the old turbine. Director Newberry is not sure if there is a trade-in value or possibility for repair or scrap. She added that the difference in the bids make her nervous and that the cheapest isn't always the best. Director Newberry agreed and informed the Council that ANZ has done work for us before and we are extremely happy with them. Council member Etter verified with Director Newberry that this is the second replacement and asked about life expectancy on the unit and what additional monies can be expected from two kilowatt improvement. Director Newberry responded that the memo from Electric Production Supervisor Horsch indicated the current unit is around 29 years old but he was not sure how much revenue two additional kilowatts would produce. Attorney Brown brought to the Council's attention that the resolution indicates the City Manager would execute this agreement but we do not currently have a City Manager so if the motion was going to be passed, they should probably have an amendment indicating who would sign the resolution on behalf of the City.

Council member Wetta moved to amend the resolution and approve to authorize the Mayor to execute this agreement, instead of the City Manager. Council member Korte seconded. Upon roll call vote, those voting “AYE” were Council members Butts, Etter, Hawley, Korte, Wetta and Valentine. There were no “NAY” votes. Number 5756 was assigned to this resolution.

STUDY ITEMS

There were no study items included in the agenda.

EXECUTIVE SESSION

Council member Korte moved that Mayor and Council move into Executive Session to discuss personnel matters of non-elected personnel. Council member Etter seconded. The motion carried.

After thirty minutes, Mayor Hansel brought the Council back in session and informed that no binding action was taken in the discussion of personnel matters of non-elected personnel.

Council member Etter moved to go back into Executive Session a second time for fifteen minutes to discuss personnel matters of non-elected personnel. Council member Hawley seconded. After roll call vote, Council members Etter, Hawley and Butts voted “Yes”. Council members Valentine, Wetta and Korte voted “Nay”. City Clerk Mericle informed the Council that there was a 3-3 tie and that the Mayor may vote. Mayor Hansel voted, “Nay”. The motion was declined. Mayor Hansel added that she would like to have a Work Session on Monday, June 13th at 5:30 p.m. to continue the discussion. She added that the City is going to continue with the plan that was set forth on the day that Mr. Eckert was terminated- Assistant City Manager Newberry will continue to handle the day to day operations, aided by Director

Shields and City Clerk Mericle. She also thanked Attorney Brown and Director Jones for their leadership. She wanted to share that her decision was not easy but it was made easier that we have such incredible staff here at the City of Wellington and we have very competent people who are in charge right now. She welcomes the public to talk to the Council or herself on any suggestions they may have on moving this process forward. She and several others on the Council would like to see the dust settle and do this process in a very purposeful and thoughtful way. They want to make the right decision and want the public to be proud of the work that they are going to move forward and do.

A motion to adjourn was seconded and carried.

Approved and filed this 21st day of June, 2016.

Mayor

City Clerk