

A regular meeting of the City Council of the City of Iola was held on June 10, 2019, at 6:00 p.m., at the Riverside Park Community Building 510 Park Avenue, Iola, Kansas.

CALL MEETING TO ORDER

Mayor Wells called the meeting to order at 6:00 p.m.

Mayor Wells and Council Members Peters, Peterson, Myrick, Ballard, Mathew, and Martin were present. Also present were Administrator Fleming, Assistant Administrator Schinstock, and City Clerk Hutton. Council Members Franklin and Ford were participating in the meeting via phone.

REVIEW & APPROVAL OF AGENDA

Motion made by Council Member Myrick and seconded by Council Member Martin to approve the agenda as presented. All in favor. Motion carried.

PUBLIC COMMENTS

Mayor Wells read the following statement:

Persons who wish to address the City Council regarding items on the agenda may do so as that agenda item is called. Persons who wish to address the City Council regarding items not on the agenda and that are under the jurisdiction of the City Council may do so at this time when called upon by the Mayor. Comments on personnel matters and matters pending in court or with other outside tribunals are not permitted. Speakers are limited to three minutes. Any presentation is for information purposes only. No action will be taken.

Following Mayor Wells reading of the aforementioned statement, he asked members of the audience if they wished to address the Council.

Larry Walden handed out a partial copy of a voting ward map to all Council, staff, and the Iola Register reporter. He stated that he has visited with numerous people that want the speed limit changed back to 35 MPH since the Cedarbrook Golf Course is no longer operating. He also stated that he has the opinion that Kentucky from Oregon to Carpenter Street should have a speed limit of 40 MPH and Miller and Cottonwood south to Garfield should be increased to 40 MPH.

Larry Walden also stated that the Council should survey the citizens about moving back to a Council/Mayor form of Government. *(Note: The City of Iola is currently operating under a Council/Mayor form of Government.)*

Donna Houser thanked the City Council for the swimming pool. She has been enjoying it every day.

Josiah D'Albini stated that he is a new citizen to Iola. He noted when he lived in Ottawa the City, County, Elected Officials from neighboring towns, the school board, and the College would meet quarterly to see how they could work together to make the community better. He thought this might be a good idea for Iola.

CONSENT AGENDA

- A. Minutes Approval**
 - **May 28, 2019**
- B. Appropriations Approval**
- C. Allen County Fair Board Beer Garden - Resolution**
- D. Lehigh Roots Festival Request**
- E. ACARF/Second Chance Request**

Council Member Ballard noted that the May 28th minutes should read under item F. Chip Seal Project "He stated that it is a waste of money the way the City chip seals the streets." Motion made by Council Member Ballard to approve the consent agenda as amended. Motion seconded by Council Member Peters. All in favor. Motion carried.

UNFINISHED BUSINESS

A. Solar Field - Administrator Fleming reviewed the Solar Project Proposal with the Council Members.

EMG's Scott Shreve, who serves as Iola's energy consultant, informed the group that the ECA averaged 1.4 cents in 2018. This is the lowest it has been in 4 years. He noted that if solar is added it would cost the customers approximately \$12.00 per year for the first seven years. After the buyout in year 8 customers would save \$8.00 per year for the next 23 years.

Council member Ford asked when the city would see the benefit of the capacity credit, since we will not own the solar farm until the eighth year.

Mr. Shreve stated that the capacity credit would benefit Iola from day one.

Council Member Ford wondered if the price could be negotiated when it came time for a buyout.

Mr. Shreve stated that the price is fair market value now and will be an even better price eight years from now.

Council Member Ford asked about landscaping and fencing around the farm.

Administrator Fleming stated that Westar would be responsible for landscaping and fencing. The type of fence has not been discussed.

Council Member Ford asked how long the City would have to buy out the project if the City doesn't have the money available.

Administrator Fleming noted that following year seven the City could purchase the solar farm at any time.

Council Member Ford stated she is definitely in favor of the project and is glad the City can participate in a project that will help protect the environment.

Council Member Franklin stated he had no unanswered questions.

Doug Strickler, local farmer and neighbor to the proposed solar project, stated that he feels the project is not profitable and is a waste of resources. Everywhere within the world they are building new coal and natural gas plants for the production of electricity. This type of power is cost prohibitive.

Mr. Strickler also stated that when Russell Stovers Manufacturing Plant moved in he was asked to control dust as much as he possibly could. He has concerns that the Solar Farm will be plagued by dust and would not be good on the operation of it. He stated that he doesn't want a solar farm in his front yard and wondered if a manufacturing plant came to town and wanted to build on that property would they be discouraged by the Solar Plant.

Grant Wilkerson, Westar Representative, stated that if the property needed to be used for another purpose the panels could be moved.

Mayor Wells noted that the diesel units the city owns are 1970 models, the Wartsila Generators are 1980 models and the new generators the City just authorized to purchase are 1990 models.

Administrator Fleming noted that the City is not planning to borrow the money but to buy it outright. The City Administrative staff feel like the money could be saved. The subsidies/tax credits would be used by year 7. The City will not benefit from them.

Larry Walden stated that no one can see thirty years down the road. He stated that it is not a good contract if the city cannot negotiate. The City of Gas had a thirty year contract with the City of Iola and they are not able to negotiate it. He stated that the two Electric Department Supervisors, Mike Phillips and Jim Baker, are not in favor of the Solar project. He has spoken with Gary Hoffmeier and he does not support the project. Gary told him that the companies he works for do not support the Solar Project. (for example Gates Rubber).

Council Member Ballard stated that when the land was purchased it was for the purpose of economic development. Would a three to four story building built on the property impeded the sunlight necessary to produce the energy. He noted that during the Strategic Planning Session it was discussed to save money and the only thing that has occurred was that mosquito spraying was cut from the budget.

Council Member Ballard stated he didn't know how staff was going to save money for this project.

Administrator Fleming noted that the city saved over \$1 million in years 2013 and 2014. This money was put into the Equipment Reserve Fund and was eventually transferred to the Electric CIP Fund to purchase the additional generation. In 2018, the Electric Utility made nearly \$1 million. With the rate modification made at the beginning of 2018 and the ECA adjustment in early 2017, electric revenues can now support the Electric Utility's operations and maintenance and its savings for future CIP-type projects.

Council Member Ballard noted that he feels that this project is poor financial planning.

Administrator Fleming and Scott Shreve noted that it is actually prudent financial planning.

Larry Walden stated that if the money could be saved for this project why isn't the water plant bond payment paid out of this money.

Administrator Fleming noted that the Water Fund and the Electric Fund are two different businesses and one cannot be used to pay the others debts.

Council Member Peters thanked Mr. Shreve and the representatives from Westar for compiling the information and bringing this proposal to the Council. He noted that the latest Financial Report showed that the City was \$3.6 million behind in the reserves.

Council Member Peters noted that this project would only give the City approximately 110,000 MW which is approximately 7% of the total power. This does not seem worth it to spend this much money.

Administrator Fleming noted that the reserves are goals.

Council Member Peterson stated that she has a serious problem spending this kind of money.

Council Member Mathew stated that the comments already made by other Council members covered his concerns.

Grant Wilkerson from Westar stated that Westar is willing to invest in this project to obtain the tax credits making it financially feasible for the company. The federal guidelines require Westar to own the Solar Farm for seven years to take advantage of the tax credits.

Mr. Wilkerson noted that adding this to the City's Portfolio is a good investment. If the City decides they are not 100% good with the project they do not have to purchase it. He stated that it makes sense to invest in a project with these levelized costs.

He stated that several companies, including Walmart and colleges throughout the state are not only asking for renewable power but demanding it.

Council member Myrick stated that Administrator Fleming cleared up some questions he had. He stated that he had feedback that the public was confused by the project.

Administrator Fleming noted that it is beneficial to get a 30-year fixed price. It figures out to be cheaper than we bought the power last year. \$27.00 per MWh is a good price today it will be an even better price in 30 years.

Council Member Myrick stated that he didn't realize every customer had a meter charge plus a per KWh charge. No one pays a minimum price it is only the meter charge.

He feels like customers are scared their utility rates will double and/or triple.

Council Member Ford stated that the City needs to make solar available to our future generations. This will make us more competitive to businesses.

Motion made by Council Member Myrick to table this agenda item until September 9th following the 2020 Budget approval. No one seconded the motion. Motion failed.

Council Member Ballard made a motion to deny the Renewable Power purchase Agreement with Westar Energy for the Solar Project. Motion seconded by Council Member Mathew. voting in favor of the motion were Council Members: Ballard, Mathew, Franklin, Peterson, Myrick, and Peters. Voting against the motion were Council Members Martin, and Ford. Motion passed by a majority vote.

EXECUTIVE SESSION

Motion made by Council Member Ballard and seconded by Council Member Myrick to recess into Executive Session for 15 minutes pursuant to K.S.A. 75-4319 (b) (6) Acquisition of Real Property. The purpose of the Executive Session is to discuss the purchase of private property and shall include the Mayor, Council, City Administrator, Assistant City Administrator, and local realtor, John Brocker. The regular meeting shall reconvene in the City Council Chamber at 7:23 p.m.

Council Members Franklin and Ford disconnected from the phones and did not participate in Executive Session

John Brocker exited the meeting at 7:12 p.m.

COUNCIL & ADMINISTRATOR REPORTS

A. Council Member Franklin –

- None

B. Council Member Myrick–

- None

C. Council Member Mathew –

- None

D. Mayor Wells–

- Reminded everyone that kids are out and about walking, riding bikes, etc. Please yield at crosswalks.

E. Council Member Ballard –

- None

F. Council Member Peterson–

- Asked if the City was going to reconsider mosquito spraying. Administrator Fleming will place it on the next agenda.

G. Council Member Ford–

- None

H. Council Member Peters –

- Asked for an ingredient list for the mosquito spray.
- Stated last Thursday he was out of town at his granddaughters ball game and upon arriving home his water was turned off due to a water main break. He appreciates the crew working in the evenings and doing a quick and efficient job.

I. Council Member Martin -

- None

J. Administrator Fleming–

- None

DATE / TIME OF NEXT MEETING

City Council Meeting 6:00 p.m. on Monday, June 24, 2019

City Council Meeting 6:00 p.m. on Monday, July 8, 2019

7:23 pm. Motion made by Council Member Myrick and seconded by Council Member Peterson to adjourn the meeting. All in favor. Motion carried.

Approved by the City Council of the City of Iola, Kansas this 24th day of June, 2019.



Donetta P. Wells
Mayor Wells

Roxanne Hutton
City Clerk, Roxanne Hutton