

CITY OF IOLA

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A special called meeting of the City Council of the City of Iola was held on July 16, 2018, at 6:00 p.m., at the Park Community Building, 510 Park Avenue, Iola, Kansas.

CALL MEETING TO ORDER

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

Council Members Ford,, Middleton,, Peters, Mathew, Franklin, and Myrick were present. Also present were Administrator Fleming, Assistant Administrator Schinstock, and City Clerk Hutton. Council Member Ballard arrived at 7:10 p.m. Absent was Council Member Martin.

The purpose of the special called meeting was to discuss the 2019 Budget.

Administrator Fleming began with discussion of the Capital Projects Budget. He noted that the ½-cent sales tax will expire at the end of 2019. This fund is where the ¼-cent hospital sales tax is paid out of.

Staff added extra funding for sidewalk improvements. Yearly \$20,000 is budgeted for reimbursement for individuals that replace sidewalks and curbs. Most of it is not being used. Staff thought it would be beneficial to increase the funding and have the City make repairs to sidewalks and curbs connecting areas throughout town.

Council Member Ford stated that grant money needed to be found for sidewalks and curbs.

Mayor Wells stated that sidewalks need to be improved throughout town to make them more accessible for residents. As a runner this is definitely something that he is aware of.

Administrator Fleming then reviewed the Wastewater Utility Fund, noting the CIP funding for 2019.

Council Member Middleton asked if quotes were requested for the GIS work. Administrator Fleming noted that he had contacted potential contractors. Midland GIS offers the best value considering the other contractors and was highly recommended by Burns & McDonnell who is performing the Master Plan.

Council Member Franklin asked about the costs on the various projects. Administrator Fleming noted that Department Heads estimate costs as close as possible.

Administrator Fleming reviewed the Gas Utility Fund noted that Mitch Phillips moved the purchase of the dump truck from 2018 to 2019. *Bare Steel Main Replacement* will no longer be listed under a Capital Outlay. It will be listed as a CIP. The normal yearly amount of gas

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line will be replaced and every three years a larger project will be done with the assistance of a contractor.

The transfer to Recreation Fund will stay at \$138,000 until another funding source can be found for the Recreation Fund.

For the Electric Utility, Administrator Fleming noted that the rate adjustment for 2018 was not reflected in the 2018 Budget. The 2019 Proposed *Electric Sales* an increase in revenue over the budgeted amount for 2018.

The purchase of future generation has been moved to 2019 due to availability of good used generators that the city is seeking.

Administrator Fleming noted that the Water Utility Fund will need significant rate adjustment in order for the fund to carry the current expenses and the transfers.

In 2018, the Council did vote to take the bond payment from the Capital Projects Fund (96). The Master Plan will help staff to understand needs in the fund.

Council Member Ballard arrived.

Council Member Middleton asked if the year 2025 was the last year a bond payment had to be made for the water plant. Administrator Fleming stated that yes that the bond would be paid off in August of 2025. However the water plant would also be 20 years old by then also.

Administrator Fleming asked Council if they had any suggestions about water rates.

Council Member Myrick asked what the line item for Rural Water District #7 Maintenance was for. Administrator Fleming stated that when the City took over the District a couple of years ago, it acquired the cash the District had in their cash reserves at the time. Since that time, the City has made repairs to the district's lines, meters, and tower utilizing much of those cash reserves.

Mayor Wells noted that even if no transfers were made out of the Water Utility Fund into the other Funds, the Fund would still lose money just by continuing to pay the bond payment and the minimal expenses.

Administrator Fleming reviewed the Sanitation Department.

Council Member Myrick wondered why the City didn't start using a private trash service.

Administrator Fleming noted that having heavy trucks on our streets that we do not control may be more damaging.

Council Member Ford stated that the City could charge a minimal fee for the Spring and Fall citywide clean up.

Mayor Wells wondered about City provided trash containers. Assistant Administrator Shinstock stated that the problem with those containers is that those containers are not able to be picked up in the alley due to the narrow access. The streets would have to be used for all pickup. This would put more stress on the streets.

Council Member Ballard wondered about going to once a week pickup and having the sanitation employees train for jobs within other areas of the City.

Administrator Fleming discussed the Industrial Fund Budget. The Council Members wondered if Thrive acting as our Economic Development group was doing enough for Iola. It seems that Humboldt and Moran are benefiting and they are not contributing to the expense of the Economic Development Program.

Some of the Council Members discussed the option of having an employee within the City Office for Economic Development and serving as a Chamber Director.

Council would like to see a list of actual businesses that the Economic Development Program has played a role in getting us here and what the cost has been to the city.

The Employee Benefit Fund includes a Wellness Program that utilizes a mental health benefit, assistance with wills, financial planning etc. Council Member Ford stated that staff would not use the benefit and would rather have money put into their HSA accounts.

ADJOURNMENT

8:04 p.m. Motion made by Council Member **Franklin** and seconded by Council Member Myrick to adjourn the meeting to tomorrow evening at 6:00 p.m.. All in favor. Motion carried.

CALL MEETING TO ORDER

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

Council Members Middleton,, Peters, Mathew, Ballard and Myrick were present. Also present were Administrator Fleming, Assistant Administrator Schinstock, and City Clerk Hutton. Absent was Council Members Martin, Franklin and Ford.

The purpose of the special called meeting was to discuss the 2019 Budget.

Administrator Fleming noted that all budgeted funds include scheduled merit increases and a 2% COLA.

Administrator Fleming explained that in the General Fund the Ad Valorem Tax can only be increased by the CPI index which is the same as last year 1.4%. Unless it was put to a vote of the citizens.

With an increased revenue in 2017 in the EMS Subsidy and lowered spending a larger carryover was created in 2018.

The Water Fund Transfer was removed from the General Fund.

The Clerk and Administration Departments need to purchase new printers. The Clerk's Office printer was purchased in 2007 following the flood.

Water Rates Discussions:

Council Member Ballard stated he would like to see cuts in the CIP and equipment reserve transfers.

Administrator Fleming noted that with the Bond Payment coming out of the Capital Projects Fund (96) this year.

Withholding the \$200,000 transfer in 2019 would possibly hold the Water Fund to a 15% increase for 2019.

Council Member Peters asked how long increases will have to be done for? Administrator Fleming stated that once the Master Plan is complete it will give staff a better picture of what infrastructure improvement expenses are needed and when. At that point, more refined, long-range revenue requirements can be developed.

Council Member Ballard stated that Street and Alley Department has shown a large increase in their budget from 2016-2019. He would like to be shown a need for replacement of a piece of equipment.

He would like to see a list of vehicles, the value of them. Could we spend more on the vehicle for repairs and upkeep before we replace it.

Administrator Fleming noted in the Recreation Department the Gas Fund transfer will remain the same. A long-term funding source for recreation needs to be found. The pool needs painted this coming spring.

Council Member Myrick wondered if we needed all of the employees in the department.

Council Member Myrick asked if the mill levy would be increasing. Administrator Fleming stated the mill levy would stay close to the same as last year.

Council Member Myrick asked if mosquito spraying was necessary.

Council Member Middleton asked about Wastewater and Electric Fund transfers to Water Fund. Administrator Fleming stated that it would be better to cut the transfer to General Fund instead of transferring between utility funds.

Mayor Wells gave a brief overview of what he feels the Council wants from staff:

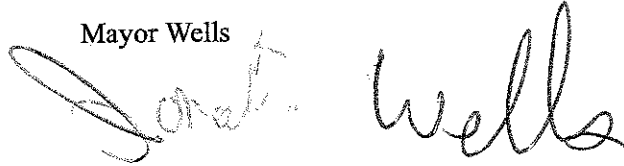
- Firm numbers on a cost for a copier for Clerk's office.
- Future Agenda Items;
 - Personnel / Staffing Plan Development
 - Equipment Replacement Planning
 - Economic Development Funding
 - Economic Development Program with Thrive Allen County
 - Chamber Funding

ADJOURNMENT

7:31 p.m. Motion made by Council Member Myrick and seconded by Council Member Peters to adjourn the meeting.. All in favor. Motion carried.

Approved by the City Council of the City of Iola, Kansas this 13th day of August, 2018.

Mayor Wells



City Clerk, Roxanne Hutton

