

CITY OF IOLA

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09/10/2018

A regular meeting of the City Council of the City of Iola was held on September 10, 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.

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

**REVIEW & APPROVAL OF AGENDA**

Motion made by Council Member Myrick and seconded by Council Member Ballard 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. None Followed.

**CONSENT AGENDA**

**A. Minutes Approval**

- August 27, 2018

**B. Appropriations Approval**

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

## **NEW BUSINESS**

**A. Kiwanis Club of Iola - Request-** Tom Nevans of the Kiwanis Club of Iola was present to request the use of the Recreation Community Building in Riverside Park for their annual Boo Bash event. The event is planned for Saturday, October 27 from 5:30 p.m. - 8:00 p.m. He stated that the days ahead of the event will be used to set up for the event. Motion made by Council Member Ballard and seconded by Council Member Myrick to approve waiving the rental fees for October 24-27 for the Recreation Community Building for Kiwanis Club of Iola to hold the annual Boo Bash event. All in favor. Motion carried.

## **UNFINISHED BUSINESS**

**A. Staffing & Organization Study - Discussions -** City Administrator Fleming has drafted the enclosed scope of work for an Request for Proposal (RFP) for the staffing and organisational analysis. He stated that Council needs to think on how to answer the following questions for the firm. Exactly what are the goals for the study, what service level do you want to provide your customers, and what are your strategic planning goals.

Council Member Myrick stated that he had been contacted by some employees asking if the Council was on a witch hunt to fire people. He wanted to stress that the Council is looking at staffing levels and if there are some departments that are currently heavy the City would eliminate positions through attrition.

Council Member Ballard stated that he had heard the same thing from employees. He stated that 114 employees for the population of Iola is just too many. He is comfortable with the scope and the proposal let's move forward and see what they bring.

Council Member Middleton stated that Council's goal is just to have the study done to emphasise staffing level needs.

Mayor Wells stated that he was interested in seeing the suggestions for the organizational structure. There may be areas where we need some improvements. He asked the Council to think on Administrator Flemings questions for the firm over the next few weeks.

Council Member Matthew stated that he wants to provide the same level of services while looking at staffing levels and where they need to be.

Council Member Ford stated she wants to know where and how we can reduce. This could eventually offer a large amount of income through savings for the City.

Council Member Peters stated that we need to assure the employees we are here for them and are only looking at reductions through attrition.

The consensus from the Council was that the scope of service was good and Administrator Fleming will get an RFP prepared and sent out.

## **ROUND TABLE**

**A. Water Rates - Discussions** - Administrator Fleming stated that the Council made the decision following an Ordinance for a rate increase that did not pass at prior meetings to pay the 2018 Water Plant Bond Payment out of the Capital Improvement Fund. This allowed the Water Fund to gain a small reserve.

Administrator Fleming noted that enclosed for discussion purposes Table 1 shows the impact of a series of proposed rate adjustments. It includes a three step adjustment over the next three years, resulting in an increase on January 1 for each year - 2019, 2020, and 2021.

Administrator Fleming also prepared a couple of more scenarios at the request of a Council Member. The first scenario shows a 10%-increase the first year and a 5%-increase the second year with no increase for the third year. The second scenario shows a 10%-increase the first year and no further increases for the second and third years.

Administrator Fleming noted that philosophically Water Utility revenues should focus on three things: 1. cover anticipated annual expenses to include the bond payment, chemicals, scheduled transfers, etc., 2. build up to and maintain a reserve balance that can support the fund for a minimum of three months of expenditures, 3. support necessary infrastructure improvements and CIP projects.

Mayor Wells asked if the 10% and the 5% scenario was about the same as the 7.5% and 7.5% increases that were discussed earlier. Administrator Fleming noted that it is correct. It would put the City in a shortfall after 2021.

Council Member Myrick stated he was asked if the City could do a small increase over five months in order to get to the 10% to give customers time to adjust. Administrator Fleming stated he appreciates the thought to ease into it, however this would ultimately cause a shortfall in revenue.

Council Member Ballard asked about the differences in the budgets from 2018-2020. Administrator Fleming pointed out the increases on the attached budget sheets.

Council Member Peters wondered about dropping the transfer to General Fund. Stating that while the transfer is a large portion of the Water Fund Budget it is a small portion of the General Fund Budget and might be easier to absorb.

Council Member Ballard stated he is not comfortable dumping money into the CIP Fund without knowing what the Master Plan will reveal.

Mayor Wells noted that the reason the City is in the place it is is because things were not budgeted for replacement over the last 100 years.

Administrator Fleming noted that he isn't here to get the Council to dump \$500,000 into the CIP. He feels confident that when the Master Plan comes back it will show that the City needs more revenue for projects than previously thought. The need will likely be larger than our desire to fund.

Mayor Wells stated that the Council consensus seems to be to only transfer \$100,000 to the General Fund from the Water Fund. This money has been transferred to keep taxes low.

Council Member Ballard stated that the Council is currently working on the staffing analysis, the vehicle purchase policy, and the Master Plan. He thinks it is best to wait until this information is obtained before making a decision on the rate increase.

Mayor Wells stated that without an increase in 2019 the City cannot pay the Bond Payment. The Fund should be able to support itself.

Administrator Fleming stated that the Water Fund has had problems over time. For instance in 2010, \$300,000 had to be transferred from the Wastewater Fund to the Water Fund just to pay bills. The Council needs to be brave enough to do something to keep this from happening over and over.

Council Member Middleton stated that he doesn't see anyway to get around an increase. He feels comfortable doing a 10% increase for 2019 but holding off on the next two years after we get the data back from all of the projects we are working on.

Administrator Fleming note that the Water Fund currently has seven employees. If the staffing analysis said that you could reduce by two positions via attrition, this would save about \$100,000. However, he doesn't see this as a quick turnaround. Plus can you really support the Fund the way it should be supported with two less employees.

Council Member Myrick stated he is in favor of a 10% increase for 2019 and then move forward.

Council Member Matthew stated he would like to wait to see what we can do to save money in the General Fund. Wait and see what the staffing analysis and the Master Plan show for an increase.

Council Member Ballard stated we should wait for the Master Plan and decide after that what kind of an increase we actually need.

Council Member Ford stated she would also like to wait and see what the Master Plan reveals. Show the citizens that we are tightening our belts to reduce on our end before we do an increase of rates.

Council Member Peters stated he is for a 10% increase in 2019 and then see where we are to go from there.

It was noted that the 10, 10, 5 increase will give an average customer approximately \$11.00 a month increase after all of the increases are put into effect.

Administrator Fleming stated that even if the Master Plan is finished in December, it will take staff a couple of months to make decisions on what we can do and how to fund those projects.

Administrator Fleming will bring an Ordinance with a 10% increase for 2019 for Council to vote on.

### **EXECUTIVE SESSION**

Council Member Ballard made a motion to recess into Executive Session for 15 minutes pursuant to personnel matters of non-elected personnel, K.S.A. 75-4319(b)(1). The purpose of the executive session is to discuss an individual employee's performance and shall include the Mayor, Council, and the Administrator. The regular meeting shall reconvene in the city council chamber at 7:05 p.m. Motion seconded by Council Member Peters. All in favor. Motion carried.

### **EXECUTIVE SESSION**

Council Member Ford made a motion to recess into Executive Session for 20 minutes pursuant to Attorney-Client Privilege, K.S.A. 75-4319 (b) (2). The purpose of the executive session is to discuss contractual agreements and shall include the Mayor, Council, City Administrator, Assistant City Administrator and City Attorney. The regular meeting shall reconvene in the city council chamber at 7:25 p.m. Motion seconded by Council Member Myrick. All in favor. Motion carried.

### **COUNCIL & ADMINISTRATOR REPORTS**

**A. Council Member Franklin –**

- Absent

**B. Council Member Myrick–**

- None

**C. Council Member Mathew –**

- None

**D. Mayor Wells–**

- Reminded everyone that City Fall Cleanup is the week of September 24th. If you want on the list call City Hall before noon on September 21st. This is a great service the City offers people should take advantage of it.

**E. Council Member Ballard –**

- Reminded residents not to blow your grass into the street when mowing. It is damaging to the Stormwater system.

**F. Council Member Middleton –**

- None

**G. Council Member Ford–**

- None

**H. Council Member Peters –**

- None

**I. Council Member Martin -**

- Absent

**J. Administrator Fleming–**

- None

**DATE / TIME OF NEXT MEETING**

City Council Meeting 6:00 p.m. on Monday, September 10,, 2018

**ADJOURNMENT**

7:26 p.m. Motion made by Council Member Myrick and seconded by Council Member Ballard to adjourn the meeting. All in favor. Motion carried.

Approved by the City Council of the City of Iola, Kansas this 24th day of September, 2018.



Mayor Wells

A handwritten signature in black ink that reads "Jonathan Wells". The signature is written in a cursive style with a large initial "J".

City Clerk Roxanne Hutton

A handwritten signature in black ink that reads "Roxanne Hutton". The signature is written in a cursive style with a large initial "R".