

## December 14, 2016

The regular monthly meeting of the Chapman City Council was held December 14, 2016 at the Chapman City Office. Mayor Jeff Blixt called the meeting to order at 7:00pm. Council members present were Howard Battishill, Luan Sparks, Tim Jury and Jim Murrison. Council member Lee Wolf was absent. Also in attendance were City Clerk Erin Tilton, Interim City Administrator Jay Newton and City Attorney John Purvis. Also in attendance were Carol Lacer, Kevin Diercks, Bobby Kamm, Trevor Mosher and Molly Mosher.

Mayor Blixt requested an additional agenda item. He requested the addition of an executive session for non-elected personnel discussion as agenda item 13A.

Motion by Jury to add agenda item 13A as an executive session for non-elected personnel discussion, 2<sup>nd</sup> Battishill, Vote: yes, unanimous. Motion carried.

### Agenda #2 Consent Agenda

Motion by Sparks to accept the consent agenda, 2<sup>nd</sup> Murrison, Vote: yes, unanimous. Motion carried.

### Agenda #3 City Announcements

No announcements.

### Agenda #4 Public Comments

No public comments.

### Agenda #5 IT Service Quote and Contract – SMG Unlimited, Salina, KS

Tilton explained that Scott Gordine came recommended by the City of Enterprise. He also has many different clients within the Abilene area. The city has not had a designated IT service provider in a long time and with changeover in staff, it's of Tilton's opinion, that there needs to be someone reliable for the employees to call if they have any kind of IT issues. Gordine presented a contract of \$225/month or can be "on-call" at \$75/hour, this includes all city PCs and IT equipment. Tilton also noted that in the week prior to the council meeting Gordine had been working with the city closely as it was discovered that there were corrupted files on the server that did not allow for the new automatic meter reading software to be installed properly. Sparks made mention that this had been an issue in the past with the Police Department and was in agreement that it's something that is needed as we move into an era of even more technology.

Motion by Sparks to accept the annual IT Service Quote and Contract with SMG Unlimited for a monthly fee of \$225/month, 2<sup>nd</sup> Jury, Vote: yes, unanimous. Motion carried.

### Agenda #6 Sidewalk Project Contract Amendment/Request #1 – Time Extension Submission

Nicole McDaniel with North Central Regional Planning Commission sent over documentation to be passed and signed to extend the sidewalk project out to July 31, 2017. The original agreement had January 31, 2017 as the completion date but with several delays there was no feasible way to make that happen.

Motion by Jury to submit a time extension request for the CDBG sidewalk project extending the project end date out to July 31, 2017, 2<sup>nd</sup> Battishill, Vote: yes, unanimous. Motion carried.

### Agenda #7 2016 Audit – Letter of Understanding from Varney & Associates, CPAs, LLC

Tilton scheduled the 2016 audit with Varney & Associates. Once the audit is scheduled, they send out a letter of understanding for the city to review and sign. This letter states the responsibilities of both the city and Varney & Associates.

Motion by Sparks to approve the letter of understanding from Varney & Associates, CPAs, LLC for the 2016 audit, 2<sup>nd</sup> Jury, Vote: yes, unanimous. Motion carried.

#### Agenda #8 Ordinance 983 – Amendment Regarding the Operation of Municipal Utilities and Water Rate Increases

Newton presented Ordinance 983 to the council that he mentioned at the November council meeting. He noted several of the most relevant changes, if approved, would be for an increase in water rates effective January 1, 2017, the minimum rate doesn't change, the city would start charging for the first 1,000 gallons instead of after the first 2,000 gallons at \$2.50 and that \$2.50 would increase over the next three years. He also noted that you simply cannot run a business without income and since the council had decided not to increase the mil levy or taxes, other areas must be looked at in order to finance employee costs and the everyday running and projects of a city. After additional review by the council additional wording of "if needed" needs to be added to 15-206 and "with the exception of fire lines" needs to be added to 15-212 (a).

Motion by Sparks to approved Ordinance 983 with the two noted changes, 2<sup>nd</sup> Battishill, Vote: yes, unanimous. Motion carried.

#### Agenda #9 Review and Discussion of Sewer Rates

Newton went through where the sewer fund currently was and where it was headed if changes were not considered and made. The sewer fund, in his opinion, is in the worse shape financially than any other city fund and if changes aren't made it is certain that the fund will go into the negative and then the city will be in violation of state budget laws. He will be presenting the council with an ordinance at the January meeting to adjust the sewer rates. Much like the base rate of the water, the base rate for the sewer will also stay the same, monthly charges will begin on the first 1000 gallons used and all units within the City of Chapman will be charged a base rate. There are areas of the city where a base rate isn't currently being charged.

#### Agenda #10 Review and Discussion of Electric Rates

After review Newton does not feel like there needs to be a recommendation made for electric rate increases. Right now the electric fund is the bread and butter of the city. With the new contract that KMEA has presented, to be approved following this discussion, the city will be paying \$42,000 less which will put \$42,000 back into the budget. The cash balance sits at about \$125,000.00. With that being said, Newton strongly encourages the city to manage all of their funds proactively, rather than passively.

#### Agenda #11 KMEA 2017 Power Purchase Agreement Approval

Newton spoke briefly to the information that was handed out on the power purchase agreement set forth by KMEA. Newton reviewed the information further after it was presented at the November council meeting and believes it to be a very good proposal. KMEA is doing an excellent job representing the city and building its energy portfolio. The proposal is for a five-year agreement between KMEA and the City of Chapman.

Motion by Jury to approve the 2017 Power Purchase Agreement between KMEA and the City of Chapman, 2<sup>nd</sup> Sparks, Vote: yes, unanimous. Motion carried.

#### Agenda #12 Resolution 12142016 – KMEA Execution of a Power Purchase Agreement

The Resolution authorizes the City of Chapman to execute the Power Purchase Agreement once agreed upon by the city council.

Motion by Sparks to pass Resolution 12142016, 2<sup>nd</sup> Jury, Vote: yes, unanimous. Motion carried.

#### Agenda #13 Year End 2016 Budget Review

Newton presented the council with information on the major funds of the city and where they were holding at for final 2016 budgeting purposes. No action is needed and most of the funds are going to be

coming out ok. Water and sewer funds are low but will be addressed with the increases previously discussed.

#### Agenda #13A – Executive Session – Non-elected Personnel

Motion by Jury to go into executive session to include City Administrator Jay Newton and City Attorney John Purvis until 8:15pm, 2<sup>nd</sup> Battishill, Vote: yes, unanimous. Motion carried.

Motion by Murrison to approve services with Linda Jark-Stoffer from December 31, 2016 to May 31, 2017, 2<sup>nd</sup> Battishill, Vote: yes, unanimous. Motion carried.

#### Agenda #14 Reports

Bobby Kamm reported that it hadn't yet slowed down. City workers were busy in December with leaf pickup and Christmas lights. The automatic meter reading is underway, training just concluded and everyone is excited to see how it's going to work. Snow is finally in the forecast and they will be making sure they get equipment ready for any storms we may get this winter.

Chief Diercks reported that the department should soon have three vehicles up and running after several additional repairs that had to be done to the durango and car. They have hired a new part-time officer, Terry Walker, who currently works over in Geary County and should be a great addition with some much-needed relief on himself and Officer Tylicki. On December 2, Officer Tylicki had a record number of calls in one day at 22 calls.

Newton updated the council on the hiring of a Chief of Police and City Administrator. Chief of Police interviews are set up for January 5, 2017. Citizens have been contacted for a citizen review panel that will happen after each interview. Newton has also been in touch with the Austin Peter's Group and will start advertising in January for that position of a full time City Administrator.

Mayor Blixt made note that Ty Lemon had provided the council with a prometrics informational handout. He will be going through it more with Newton and present further information on it at the January council meeting. Regarding prometrics and the licensing of general contractors, Sparks had been addressed by a contractor getting licensed within the city and was questioning why the yearly \$100 fee was not prorated. Tilton and Newton will look into this further, from what they know it had never been prorated in the past.

Jury wanted to send out an extra thank you to the city workers. The leaf pickup is always appreciate and the Christmas lights looked great.

Newton had one final item to bring to the council. TCT had approached him about purchasing some property for a building that they want to bring into town. Newton asked the council for some feedback. No detailed discussion was done with TCT but he is hoping to have more detailed information for the January council meeting if the council was OK with him moving forward. Council members agreed that they would look at it if additional information is brought to the table.

#### Agenda #15 Adjournment

Motion by Jury, 2<sup>nd</sup> Murrison, Vote: yes, unanimous. Motion carried.