REGULAR COMMISSION MEETING MINUTES
WEDNESDAY, FEBRUARY 10, 2015
6:30 P.M.

The Board of Commissioners met in Regular Session at 6:30 p.m. with Mayor Jim Falkner presiding.

Present:
MAYOR JIM FALKNER
COMMISSIONER DON EDWARDS
COMMISSIONER MARCUS KASTLER
COMMISSIONER JUSTIN MARTIN
COMMISSIONER CHRIS WILLIAMS

City Staff in attendance were:
INTERIM CITY MANAGER JAMES GRIMMETT
CITY CLERK CINDY PRICE
CITY ATTORNEY PAUL KRITZ
FINANCE DIRECTOR STEPHANIE RICHARDSON
IT DIRECTOR CHRIS FELIX
POLICE CHIEF TONY CELESTE
PUBLIC WORKS DIRECTOR CHUCK SHIVELY
ELECTRIC UTILITY DIRECTOR GENE RATZLAFF
ELECTRIC UTILITY DEPUTY DIRECTOR MIKE SHOOK
ELECTRIC GENERATION SUPERINTENDENT TONY LAWSON
ENGINEERING TECH THOMAS OSBORN
HR DIRECTOR MARILYNN EVENSON
ASSISTANT TO CITY MANAGER TRISHA PURDON

A. CALL TO ORDER – Mayor Jim Falkner

B. INVOCATION – Pastor Melvin Simpson, First Church of God in Christ

C. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG

D. REVIEW OF AGENDA

E. CONSENT AGENDA

1. Regular City Commission Meeting Minutes – Tuesday, January 27, 2015

2. Special City Commission Meeting Minutes – Tuesday, February 3, 2015

3. 2015 Appropriation Ordinance No. AO-15-02 – $748,308.86

MOTION: Move to approve the consent agenda as presented.

ACTION: WILLIAMS SECOND: MARTIN
ALL AYE

<u>REGULAR AGENDA ITEMS</u>

F. PUBLIC HEARING(s), SPECIAL PRESENTATION(s), & PROCLAMATION(s).

1. Presentation by Boys & Girls Club
   - Alan Caulkins and students made a presentation on the robotics program implemented through the Boys & Girls Club.

G. COMMENTS FROM THE PUBLIC

The public is free to comment on items not listed on agenda. Public participation is welcome and encouraged for all items on the agenda as the topics are discussed. Please be mindful of others who may also wish to speak and limit your time at the podium appropriately.

- Max Williams, 3408 W. First, stated he is concerned about the number of satellite dishes people are able to place on their property.

H. OLD BUSINESS

1. Discussion and action to appoint two people to the Planning Commission
   Applicants: Nelson Christian, Brian Nagle, Terry Rittenhouse

   ACTION: Edwards voted for Christian and Rittenhouse; Kastler voted for Nagle and Christian; Williams voted for Christian and Rittenhouse; Martin voted for Christian and Nagle and Falkner voted for Christian and Rittenhouse. Christian and Rittenhouse were appointed to three-year terms serving to January 1, 2018.

I. NEW BUSINESS

1. Resolution No. R-15-11 – A Resolution to execute an amendment to the Power Purchase and Sale Agreement and Capacity Purchase Agreement with the Grand River Dam Authority.
   - Electric Utility Director Gene Ratzlaff stated a new agreement has been negotiated with GRDA with the following new terms:
     - A commercial operation date of January 1, 2017.
     - Extension of the capacity purchase agreement for the new Wartsila units to 2042.
     - Increase the amount of generation eligible for capacity payments by 22%.
     - Remove diesel units 1 and 2 and unit 6 from capacity payment structure in 2017 to allow for new generation.
     - Unit 7 to remain in capacity payment structure through 2022 with an option by GRDA to extend capacity payments on an annual basis.
     - Allow for the electric utility to recover fuel related charges associated with dispatch of generating units which will remove risk to utility associated with fuel costs.
     - Electric utility will receive capacity payments for the new Wartsila units over the life of the contract in an amount of $111,048,000 plus 7 years of capacity payments for unit 7 in the amount of $10,562,000 for a total of $121,610.

   MOTION: Move to approve Resolution No. R-15-11 for adoption.

   ACTION: FALKNER SECOND: MARTIN
   ALL AYE

2. Resolution No. R-15-12 – A Resolution to authorize the sale of electric utility system revenue bonds.
   - Garth Herrman, bond counsel from Gilmore & Bell, stated these taxable electric utility system revenue bonds, Series 2015-A bonds are the first step in a two-step financing process for funding for the New Generation project. The short term bonds, in the amount not to exceed $10,000,000 will be issued to pay a portion of the project costs. It

is anticipated the long-term bonds in the amount not to exceed $71,810,000 will be sold in the spring. The short-term bonds will be sold to JP Morgan.

MOTION: Move to approve Resolution No. R-15-12 for adoption.

ACTION: EDWARDS SECOND: MARTIN
ALL AYE

3. Ordinance No. S-15-01 – First Reading of an Ordinance to authorize the issuance of taxable electric utility system revenue bonds Series 2015-A.
   - Garth Herrman stated this is the ordinance which will allow the City to authorize and issue the taxable electric revenue bonds.

   MOTION: Move to approve Ordinance No. S-15-01 for First Reading.

   ACTION: FALKNER SECOND: EDWARDS
   ALL AYE

4. Resolution No. R-15-13 – A Resolution to execute an agreement with Wartsila for three reciprocating engine generator sets for the Electric Utility.
   - Electric Utility Deputy Director Mike Shook stated the competitive and cooperative bid process issued by the Stillwater Utility Authority was used to obtain bids for the reciprocating engine generator sets for Coffeyville Municipal Light & Power's New Generation Project. Three proposals were received and staff recommended the purchase of three 18.6 MW reciprocating engine generator sets in the amount not to exceed $29,588,515.

   MOTION: Move to approve Resolution No. R-15-13 for adoption.

   ACTION: EDWARDS SECOND: FALKNER
   ALL AYE

5. Resolution No. R-15-14 – A Resolution to execute an agreement with GSI Engineering for subsurface investigation and geotechnical reporting services for the Electric Utility.
   - Electric Utility Deputy Director Mike Shook stated a request for proposals was issued to provide a subsurface investigation and laboratory testing for the proposed location for the New Generation project. Seven responses were received, and staff recommended GSI Engineering provide the services at a cost not to exceed $29,650.

   MOTION: Move to approve Resolution No. R-15-14 for adoption.

   ACTION: EDWARDS SECOND: FALKNER
   ALL AYE

6. Ordinance No. S-15-02 – First Reading of an Ordinance to approve the annual renewal of the 10-year property tax exemption-incentive for Four State Maintenance.
   - Assistant to the City Manager Trisha Purdon stated this is year six of the annual renewal for the Four State Maintenance tax incentive for the 10,000 square foot addition to their facility. Staff has determined the ownership and use of the exempted property is

consistent with the original application; however, employment levels, which is the basis for approval, are below projected levels. The hourly and annual salary wages are considerably above the projections in their application and 76% of all employees now live in Coffeyville; and these factors should be considered in determining the rate at which the tax exemption will be set.

MOTION: Move to approve Ordinance No. S-15-01 for adoption at the rate of 100% for the one-year period beginning January 1, 2015, through December 31, 2015.

ACTION: EDWARDS SECOND: FALKNER
ALL AYE EXCEPT MARTIN AND WILLIAMS WHO VOTED NO.

7. Resolution No. R-15-15 – A Resolution to execute a professional services contract with Olsson Associates for three EPA Brownfields Grants.
   - Public Works Director Chuck Shively stated the City, Sherwin Williams, Leadership Coffeyville, Coffeyville Area Community Foundation, Coffeyville Recreation Commission, and the Coffeyville Community Enhancement Foundation, collaborated on submitting grant proposals for EPA brownfields grants related to bike trails. The City was awarded 3 EPA brownfields grants:
     - A $200,000 Brownfields Assessment Grant for Petroleum
     - A $200,000 Brownfields Assessment Grant for Hazardous Substances
     - A $200,000 Brownfields Clean-Up Grant

     The two assessment grants will fund Phase 1 and Phase 2 environmental assessments on properties in Coffeyville with particular targets in the downtown area and the proposed walk/bike trail area. The assessment grants can also be used for clean-up planning. The clean-up grant will fund environmental clean-up and construction of the trail. Ten proposals were received. A panel representing the involved entities interviewed four firms and selected Olsson Associates to provide professional services for both the assessment grants and the clean-up grant.

   MOTION: Move to approve Resolution No. R-15-15 for adoption contingent upon working out final agreements with Olsson, City attorney and staff.

   ACTION: FALKNER SECOND: EDWARDS
   ALL AYE

8. Resolution No. R-15-16 – A Resolution to approve the submittals of the data sheets for the FY2016-2018 Airport Capital Improvement program.
   - Engineering Tech Thomas Osborn stated the FAA awards $150,000 each year to the City to complete airport improvement projects with a 10% match required from the City. These funds can be banked for up to four years for a total of $600,000. Each February, the City submits an updated airport capital improvement project list to the FAA for possible funding. As recommended by Commissioners at the last meeting, the top projects include paving of entrance streets and runway crack sealing and overlays.

MOTION: Move to approve Resolution No. R-15-16 for adoption.

ACTION: FALKNER SECOND: MARTIN
ALL AYE

9. Resolution No. R-15-17 – A Resolution to approve an amendment to the Economic Development Incentive Guidelines.
   - Assistant to the City Manager Trisha Purdon stated as presented to Commissioners at the last meeting, these guidelines were established to provide incentive polities for business and retail prospects.

   MOTION: Move to approve Resolution No. R-15-17 for adoption.

   ACTION: FALKNER SECOND: WILLIAMS
   ALL AYE

10. Resolution No. R-15-18 – A Resolution to purchase a Sensus meter reading system from HD Supply.
    - Finance Director Stephanie Richardson stated the current meter reading handheld equipment is beginning to fail and is no longer supported by a maintenance agreement. These handheld units are used daily to read the 7,650 electric and 6300 water meters throughout the City. Staff is recommending a switch to Sensus units. The upfront cost is more, however, the annual maintenance costs is less. Sensus has become an industry standard with their equipment and software, and they will tie directly into our GIS system. This technology would allow our meter readers to capture the meter location and store that data in our GIS system rather than having contractors or other staff to go to each meter to gather this data.

    MOTION: Move to approve Resolution No. R-15-18 for adoption.

    ACTION: EDWARDS SECOND: FALKNER
    ALL AYE

11. Resolution No. R-15-19 – A resolution to execute an agreement with Cox Business for optical internet bandwidth for the Coffeyville Wireless Internet Utility.
    - IT Manager Chris Felix stated this is for a three-year agreement with Cox Communication for internet bandwidth.

    MOTION: Move to approve Resolution No. R-15-19 for adoption.

    ACTION: FALKNER SECOND: WILLIAMS
    ALL AYE

12. Discussion on SFS Architecture services.
    - Commissioner Williams requested information from Dennis Jacobs on whether we can use SFS Architecture for a scaled down project. He is ready to sever ties with SFS for the City Hall and Fire Department project. Attorney Kritz stated he had prepared the survey question as requested and suggested the Commission consider getting some value from the plans SFS has already done. Commissioner Martin requested a town

hall meeting be conducted with real numbers on the project costs. Commissioner Williams requested a press release be sent from the City as to what will be included on a survey to be mailed to all registered voters; survey to be returned in two weeks.

- Jim Taylor, Jr., addressed the Commission stating a committee needs to be formed to determine how much we can spend on the building projects and we should value engineer and define the scope of work on second floor before a survey is sent out.

13. Comments from Commissioners and Staff
    - Commissioner Martin reported the Chamber of Commerce is hosting a Boots & BBQ special event on April 25.
    - City Manager Grimmett stated according to the League of Kansas Municipalities, 35 candidates have applied for the city manager position; they will screen the candidates.

J. EXECUTIVE SESSION(s)

1. Attorney-Client Privilege

MOTION: Move to recess to executive session for the discussion of confidential data that would be privileged in attorney-client relationship to reconvene on or before 9:45 p.m.

ACTION: MOTION: EDWARDS SECOND: FALKNER
ALL AYE

Time the meeting was reconvened: 9:45 p.m.

Mayor Falkner stated there was no action as a result of the Executive Session.

K. GENERAL STAFF, COMMITTEE & BOARD REPORTS AND MINUTES

1. Sales tax report
2. Building permit report
3. Library minutes

L. ADJOURN

MOTION: Move to adjourn.

ACTION: MOTION: WILLIAMS SECOND: MARTIN
ALL AYE

Time the meeting was adjourned: 9:45 p.m.

Date the minutes were approved: _____

_____
Cindy Price, City Clerk