



City Council Meeting Minutes

January 6, 2014

7:00 p.m. Regular Meeting

The Mayor opened the agenda at 7 p.m. with the pledge of allegiance. Councilwoman Reed, Councilman Gilner, Councilman Donnelly, Councilman Truesdell, Councilman Peak and Mayor Ward were in attendance. Also in attendance were city staff Nathan McCommon, Jennifer Jones-Lacy, Kent Heskett and City Attorney Michael Kelly.

Consent Agenda

Councilman Donnelly made a motion to approve the consent agenda, seconded by Councilwoman Reed. All Ayes, the motion carried.

Open Agenda

Nothing for open agenda

Old Business

- a) Update on Chieftain Trail
 - The contractors are about 20 work days into the project. The contract allows 90 work days. The bridge should be installed by late January or early February.
- b) Update on utilities extension
 - Most of the line installation is complete. All the bores are finished and almost connected.
- c) Update on Hwy 24-40 traffic signal improvements
 - Received plans from BG Consulting today. The surveyors are nearly finished with the work. There will need to be some easement acquisition. The Budget appropriation for this is on the agenda.

New Business

- a) Resolution No. 01-14-01: Supporting the development of additional affordable housing
 - Mr. McCommon introduced Cathleen Boles, who represents the builder of the Sundance Apartments in the Stone Creek subdivision. One of the requirements is that they apply for tax credits which require a resolution approved by the governing body to apply for tax credits.
 - Cathleen Boles, 6800 West 64th Street and said that Timber Hills wants to expand that facility and part of the Sundance Apartments.
 - They are proposing a second phase expansion. It will be 16 units, four four-plexes. They have had a 40 person wait list since the initial development.
 - The resolution before the council states that there is legislative support for affordable housing application from Timber Hills. The resolution is the first step in getting their application approved by the state for Kansas Affordable Housing Commission.
 - Mayor Ward asked if there was an age requirement for Sundance Apartments.

- Ms. Boles said seniors 55 or older and targets residents with incomes below the area median income.
- Councilman Donnelly asked if they would be applying for additional grants.
- Ms. Boles said they would seek federal home loan grant but can't apply until they receive the tax credits.
- Councilman Donnelly made a motion to approve the resolution, seconded by Councilman Peak. All Ayes, motion carried.

b) Discussion of the services of Water District #6 and #9

- Mr. McCommon said that District 6 had approached council to see if they would allow the district to purchase water from the City as a backup water source. We decided to bring districts 6 and 9 together to discuss.
- Frank Hurla said Water District no. 9 is paying the lion's share of the maintenance associated with the Wholesale Water District. The wholesale district members said they came up with three options: 1. a new operating agreement, 2. Dissolution of the district, or 3. Arbitration. He said district no. 9 can no longer afford the debt and maintenance.
- Jim Stuke, 23883 Evans Road, a board member of Rural Water District No. 6. Said he would be in agreement to dissolve the Wholesale Water District. His concern is that the only source of water that they have is Suburban and they feel it's important to have a secondary water supply and they would like that to be the City of Tonganoxie. They have about 200 patrons and the average sale of 1 million gallons per month. They would like the option to tap into the City water supply to service their patrons in the event of an emergency. They understand that there would be additional cost and are willing to take the lion's share of that cost.
- Kent Heskett said it's up to the Council and that the City has not used the water from the Wholesale since April 2011. The line is in rough shape. The BPU line has held up well and he expects that to continue.
- The Mayor said it comes back to if there is dissolution, what are our options and what the impact would be to the City. His question is should we move forward toward dissolution and what would our backup sources be.
- Mr. McCommon said the balance of the debt would need to be paid.
- Mr. Kelly said to dissolve all three entities would need to vote on it and they are under a contract now. Until that contract terminates then the parties are responsible to cover their part. Mr. Kelly said there is no provision on arbitration while the contract is valid.
- Councilman Peak asked how much City wells contributed to the City's water supply. Mr. Heskett said about 40%. Councilman Peak asked if that could go any higher and Kent said the quantity could be increased temporarily in the event of an emergency.
- Councilman Donnelly said everyone is okay with it then this should be a pretty easy decision.
- The Mayor said we need to certify with BPU that they are okay with selling water to a third party.
- Mr. Kelly said it shouldn't be a problem since it's a sale only on an emergency basis.
- Councilman Donnelly said if the district does dissolve that they would have to unwind the line. What costs would be associated with that?
- Mr. Kelly said there would be some legal costs to pay to the state.
- JW Evans said each district would share that cost.
- Mr. McCommon asked what would happen to the building if the district dissolved.
- Mr. Heskett said the fixtures are divided in the agreement. However, the real-estate would have to be divided. The entities could vote to donate it or sell it.
- That building could be used as a transfer station for District 6.
- Laura Hensley said that she spoke with the State Treasurer's Office and that they would be fine with having it paid off early since we've reached the call date on the bonds.

- The Mayor said we need to go through a list of things to ensure that the dissolution occurs properly. He asked Mike to review the procedure and contract and report to the Council at the next meeting. He said he would get with the attorneys for 6 and 9 as well.
- c) 2014 budget re-appropriation of continuing projects
- Mr. McCommon said this re-appropriation gives the City Administrator Budget authority. He explained that we are asking for Budget authority of \$889,246 expecting revenue of \$711,396. He explained the appropriations are for Chieftain Trail, Utilities extension and the fire station expansion. This re-appropriates funding for projects that were in progress at the end of 2013 that were budgeted in that year.
 - He also said the total cost from Kansas Gas is \$296,000 instead of \$260,000 for the gas line installation. Mr. McCommon said he's passed that along to Steve Jack with the Port Authority and the discussion will be a part of their agenda on the 29th of January. He said he's hopeful the Port Authority will cover that excess.
 - Councilman Peak asked about the \$296,000 for gas line extension if the City would cover the excess over \$260,000 if the Port Authority doesn't cover it and if that would come from the Water/Sewer Capital funds. Mr. McCommon said we would have to look into it.
 - Councilman Peak made a motion to approve the appropriations for the 2014 Budget, seconded by Councilman Truesdell. All Ayes, the motion carried.
- d) Appropriation of funding for Highway 24-40/Stone Creek Traffic Signal
- Mr. McCommon said this is a request for a new appropriation. While we have discussed it on numerous occasions, Council has not officially appropriated the City's share of this project.
 - Councilman Peak asked for clarification of where the funding would come from.
 - Mr. McCommon said the state will cover 100% of the construction costs but didn't commit anything for design, utility relocation or easement acquisition. Mr. McCommon said the \$100,000 would come from the fund balance of the Capital Projects Fund. The balance left in this fund would be about \$49,000. Mr. McCommon said that's very small in the context of a City budget.
 - Councilwoman Reed asked what the chances would be that the City's cost would exceed \$100,000. Mr. McCommon said BG said it's looking pretty good. They haven't identified any utility relocation yet.
 - Councilman Peak made the motion to appropriate \$100,000 in the capital projects fund. Seconded by Councilman Gilner. Councilman Donnelly Abstained. Ayes from all others, the motion carried.
- e) City Administrator Agenda

Action Items:

1. Amending the water and sewer regulations for abandoned service
 - Mr. McCommon said after some research Tonganoxie is the only city to charge an abandonment fee. He said that if a meter is determined to be abandoned then there should at least be an inspection for which the owner would be responsible.
 - Councilman Peak said when he moved here he never received any information on abandonment. If there's going to be a program in place the City needs to make them aware. He said he's in favor of this move as he believes it's fair to residents.
 - Councilman Peak asked if there was a downside to eliminating the repayment of the water tap fee.
 - Mr. McCommon said that was the logic behind the original abandonment clause was to crack down on speculators. He said he could find no evidence of that occurring.

- Mr. Heskett said there isn't a great way to prevent someone from speculating really.
- Mayor Ward said he felt this was a really fair proposal. If someone pays for the tap and puts all infrastructure in the ground, the City has gotten its money. It's fair to require an inspection to ensure the City isn't out any money.
- Mr. McCommon said the purpose behind this policy is to ensure that the City's costs are covered and not put undue burdens water service customers. We need to ensure that the water line and tap is fully operational.
- Mr. Donnelly said there could be a scenario in the future where we stretch our limit of how much water we can supply. We would then need to limit the number of meters available. It's unlikely that someone would try to purchase 100 meters for speculative purposes but if they did and the City was near it's limit, that could be problematic.
- Steve Miller, resident, said he didn't think charging the minimum bill is a bad idea. He would have paid it if he had known about it at the time. He thinks that's fair.
- Councilman Donnelly said when we run out of capacity, that's when it would be an issue.
- Mr. McCommon said there's a City approval process during the site plan process and the City at that time has the opportunity to deny.
- Councilman Gilner made a motion to approve the amendment to the water and sewer regulations, seconded by Councilwoman Reed.
- Councilman Peak asked if there was any consideration for charging the minimum fee on the water bill. Mr. Heskett asked about foreclosed homes. Mr. Donnelly said his bank pays fees on foreclosed homes all the time and they can pass that along to the next buyer.
- Councilwoman Reed said she isn't concerned about charging a minimum fee at this juncture.
- All Ayes, the motion carried.

Discussion and Presentation Items:

- a. Building permit fees for elementary school
 - Mr. McCommon said the Council would need to make a decision on whether they would be willing to waive part of the fee from the building permit submitted by the school. He provided the building permit application and explained the calculation for the permit. He said right now they are being charged \$170,000 which is the standard rate. He asked if the Council would be willing to waive the water tap, sewer tap and excise tax. Councilman Donnelly asked if we could legally charge them an excise tax since they are a non-taxable entity.
 - Councilman Peak asked why we would do this. Mr. McCommon said it would be a gesture of partnership.
 - Councilwoman Reed asked if the fees would cover the cost of the inspector and Mr. McCommon said that would primarily be Joe Keane and BG Consultants. Mr. McCommon said that contract with Joe Kean is not to exceed \$115,000 plus whatever BG would charge. Councilwoman Reed said her concern was covering the City's costs.
 - There's a school board meeting next Monday night and they plan to discuss it.
 - Councilman Peak asked why the school board had any kind of statement that the City would waive any fees since it hasn't been agreed to.
 - The Mayor said it would be a good will gesture to show our partnership and incentivize them to sign the inter-local agreement.
 - Councilman Truesdell said to just make sure the City's costs are covered.

- Mr. Kelly said they would only need to vote on this when they get the contract but it would be helpful to know if the City would be in favor of waiving some of the fees.
- b. Update on the Gallagher property work session
- The Gallagher property task force is scheduled for tomorrow at the library at 6 p.m.
- c. Clarification on Water/Sewer Billing Process
- Ms. Jones-Lacy explained the water and sewer charges and how the figures are calculated. Everyone is charged for what they use but that the rates are rounded down to the 1,000 gallons until their cumulative usage over 1,000 gallons equals the next 1,000 gallons.
 - Councilman Donnelly asked why we can't charge people for what's used.
 - Ms. Jones-Lacy said that's how the rates have been established and that's how it's been calculated.
 - Mr. Heskett said he's been having conversations with Mr. McCommon about getting new meters and software that would allow different calculations.
- d. Executive session to discuss confidential matters of non-elected personnel
- Mr. McCommon asked to enter into executive session for 10 minutes.
 - Councilman Gilner made a motion to enter into executive session, seconded by Councilwoman Reed. All Ayes, the motion carried.
 - A motion to return from executive session has been made by Councilman Gilner, seconded by Councilwoman Reed. All Ayes, the motion carried.
 - Motion to return by Donnelly for 10 minutes, seconded Councilman Peak. All Ayes, the motion carried.
 - A motion to return from executive session was made by Councilman Peak, seconded by Councilman Gilner. All Ayes, the motion carried.
- f) City Council Agenda
- Bill Peak – asked if we could keep the Christmas tree lights on until January 16th.
 - Councilman Gilner asked when we would set a meeting to prioritize capital projects.
 - Councilman Truesdell said we've been discussing a joint meeting with the planning commission. Reed said she thinks we should meet first and then bring in the planning commission. Truesdell said he thinks they should be involved.
 - Mayor Ward said we're overdue for a joint meeting with the planning commission. This would be a five-year/ten-year planning session. It typically fits in with budget but doesn't have to.
 - Councilman Peak asked if the Infrastructure Committee was still planning to work on the sidewalk on Washington. He wanted to know if we would have updated information on that.
 - Councilman Truesdell said they are close they are tying up some loose ends.
 - Councilwoman Reed said they have a rough idea of the cost but it depends on if it will be a priority of the Council.
 - Councilman Truesdell said a joint meeting with the Planning Commission would be necessary as soon as possible.
 - Mayor Ward said we couldn't discuss anything currently on the Planning Commission's meeting we would only be able to discuss broad categories and have a special meeting.
 - The Council decided to tentatively set a date for Monday, September 27th.
 - Mayor Ward said there's been a request to increase the wage for our City Judge from \$400 to \$600 per month. Motion by Councilman Donnelly seconded by Councilman Gilner. All Ayes.

- Also consider increasing the City Prosecutor's wage from \$400 to \$600 per month. Motion by Councilman Peak, seconded by Councilwoman Reed. All Ayes, the motion carried.
- Councilman Peak made a motion to adjourn, seconded by Councilman Gilner. All Ayes, the motion carried.

Respectfully Submitted,

Jennifer Jones-Lacy
Assistant City Administrator