

**REGULAR COMMISSION MEETING MINUTES
TUESDAY, FEBRUARY 13, 2007
6:30 P.M.**

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

Those in attendance were:

COMMISSIONER RICHARD GONZALES
COMMISSIONER ALEC HENDRYX
COMMISSIONER VIRGIL O. HORN., JR.
COMMISSIONER LOUIE HUMMEL

City Staff in attendance were:

CITY MANAGER JEFF MORRIS
CITY CLERK CINDY PRICE
CITY ATTORNEY PAUL KRITZ
FINANCE DIRECTOR STEPHANIE RICHARDSON
PUBLIC WORKS DIRECTOR CHUCK SHIVELY
WATER/WASTEWATER SUPERINTENDENT JIM BRADSHAW
ELECTRIC UTILITY DIRECTOR BERNIE CEVERA
PUBLIC SERVICE DIRECTOR DON MALES

- A. CALL TO ORDER – Mayor York**
- B. INVOCATION - Rev. Jim Crandall, First Assembly of God**
- C. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**
- D. MINUTES**
1. Regular City Commission Meeting Minutes – Tuesday, January 23, 2007
ACTION: Approved as presented
 2. Special City Commission Meeting Minutes – Monday, January 29, 2007
ACTION: Approved as presented
- E. APPROPRIATION ORDINANCE(s).**
1. 2007 Appropriation Ordinance No. AO-07-03 - \$ 986,709.08
MOTION: Move to approve Appropriation Ordinance No. AO-07-03 in the total amount of \$986,709.08 for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER HUMMEL AND SECONDED BY COMMISSIONER GONZALES. ROLL CALL VOTE - ALL AYE.
- F. PUBLIC HEARING(s), SPECIAL PRESENTATION(s), & PROCLAMATION(s).**
1. Presentation by Siemens on Preventative Maintenance for the Electric Utility
 - Robin Tennison, Siemens, reviewed a Powerpoint presentation on the preventative maintenance program performed on the electric utility. Services provided are testing, maintenance, diagnostics and consultation all designed to lengthen the life of the power plant and make the system more reliable.

2. Update on the Lions Club Gazebo Project
 - Pam Jones, representing the Coffeyville Lions Club, provided an update on the park project for the Memorial Hall lot noting Jerry Marnell has been selected as the builder. They have raised enough funds for phase I of the project – the gazebo – and will begin construction as soon as the weather allows.
3. Comments from Dee Messer, Business Manager for International Union of Operating Engineers and Cindy Pereira, Business Manager for International Brotherhood of Electrical Workers
 - Dee Messer, representing the IUOE, read a prepared statement citing discrepancies in wage scales for private industry versus the city employees and that it is offensive to employees to pay them the low end of the wage scale or below. He also cited a change in sick leave accrual, comp time, time allotted to take vacation, reduction in accounting for overtime and language changes in the agreement made for unhappy workers. He also requested the Commission change the agreement by increasing wages 20 cents for crew foreman and adding the 10 cents adjustment given to unions approving the contract.
 - Cindy Pereira, representing IBEW, addressed the Commission stating the top concern in their organization is the aging workforce; the utility industry is in crisis, and that 50% of utility workers will retire in the next ten years.

G. OTHER BUSINESS

1. Comments by the Public

H. OLD BUSINESS

1. Ordinance No. S-07-01 – Second Reading of an Ordinance to establish prohibitions against the possession or carrying of certain firearms while upon designated property owned and/or operated by the City of Coffeyville.
 - MOTION: Move that Ordinance No. S-07-01 be passed to second reading and approved for adoption.
 - ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY COMMISSIONER HORN. ROLL CALL VOTE – ALL AYE.

I. NEW BUSINESS

1. Ordinance No. S-07-02 – First Reading of an Ordinance to approve an annual renewal of the ten-year property tax exemption-incentive for BOC Group, Inc.
 - City Treasurer Angie Naden addressed the Commission stating the ownership, use of property and other qualified criteria for the tax exemption-incentive of the BOC Group continues to exist and is consistent with the original property tax exemption-incentive application. Considering BOC's energy consumption and other economic benefits to the community, the annual savings per job created was not the sole determining factor for this industry.
 - MOTION: Move that Ordinance No. S-07-02 be approved for First Reading.
 - ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY COMMISSIONER HUMMEL. ROLL CALL VOTE – ALL AYE.

2. Ordinance No. S-07-03 – First Reading of an Ordinance to approve an annual renewal of the ten-year property tax exemption-incentive for Coffeyville SEKTAM, Inc.
 - City Treasurer Angie Naden addressed the Commission stating this is the final year for this tax exemption. Staff has determined the ownership, use of property and other qualified criteria for the tax exemption-incentive of SEKTAM continue to exist and is consistent with the original property tax exemption-incentive applications. Employment is up 14% from anticipated employment levels for the most recent year, showing a three year upward trend, and annual tax savings per job created is well below the recommended \$1,000 per annum level. Steve Cornell, president of Coffeyville SEKTAM stated their employment numbers are up for 2007.

MOTION: Move that Ordinance No. S-07-03 be approved for First Reading.

ACTION: THE MOTION WAS MADE BY COMMISSIONER HORN AND SECONDED BY MAYOR YORK. ROLL CALL VOTE – ALL AYE.

3. Ordinance No. S-07-04 – First Reading of an Ordinance to approve an annual renewal of the ten-year property tax exemption-incentive for Four State Maintenance.
 - City Treasurer Angie Naden addressed the Commission stating the ownership, use of property and other qualified criteria for the tax exemption-incentive of Four State Maintenance continues to exist and is consistent with the original property tax exemption-incentive application. Employment levels are higher than originally projected and the annual savings per job created is below staff's recommended \$1,000 per annum level.

MOTION: Move that Ordinance No. S-07-04 be approved for First Reading.

ACTION: THE MOTION WAS MADE BY COMMISSIONER HENDRYX AND SECONDED BY COMMISSIONER GONZALES. ROLL CALL VOTE – ALL AYE EXCEPT COMMISSIONER HUMMEL WHO ABSTAINED.

4. Resolution No. R-07-14 – A Resolution to authorize Asbestos Removal and Maintenance, Inc., to provide asbestos inspection and reports for 15 properties in the City of Coffeyville.
 - City Treasurer Angie Naden addressed the Commission stating this is the final group of structures in the properties identified for demolition with the Community Development Block Grant. Bid notices were sent to nine companies and one response was received from Asbestos Removal and Maintenance. This is the company that has done all previous asbestos inspections for the grant project.

MOTION: Move that Resolution No. R-07-14 be approved for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY COMMISSIONER HUMMEL. ROLL CALL VOTE – ALL AYE.

5. Resolution No. R-07-15 – A Resolution to issue a contract to bp Amoco/Clough for the purchase of motor vehicle fuels for the City of Coffeyville.
 - City Treasurer Angie Naden addressed the Commission stating bid invitations for fuel for City vehicles were sent to four vendors with requirements that the contractor shall maintain a card system with 24-hour access, cards shall be issued for each vehicle and the contractor shall provide a printout of each delivery and transaction listing the

specifics of the purchase. bpAmoco/Clough was the only vendor to respond; their contractor margin was .05.

MOTION: Move that Resolution No. R-07-15 be approved for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER HUMMEL AND SECONDED BY COMMISSIONER HENDRYX. ROLL CALL VOTE – ALL AYE.

6. Resolution No. R-07-16 – A Resolution to approve the 2007 Personnel Manual.

- City Manager Jeff Morris addressed the Commission stating the International Brotherhood of Electrical Workers and International Union of Operating Engineers wish to implement the employee contract from January 23, 2007 to December 31, 2007. This is the same contract as approved by the FOP and Firefighters however it does not include the ten cents per hour increase included in the FOP and IAFF contract. The ten cents was implemented in return for a three-year contract.

MOTION: Move that Resolution No. R-07-16 be approved for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY MAYOR YORK. ROLL CALL VOTE – ALL AYE.

7. Resolution No. R-07-17 – A Resolution to issue a purchase order to Victor L. Phillips Co. for a Case 580 SM Series II Industrial Loader/Backhoe for Water/Wastewater Utilities.

- Public Works Director Chuck Shively addressed the Commission stating the 2006 Water/Wastewater Utility Capital Improvement Fund had \$60,000 budgeted for replacement of a loader/backhoe for Water Distribution/Wastewater Collection. Two bids were received with staff recommending the low bidder, Victor L. Phillips Co., be accepted for one new 580 SM Series II Industrial Loader/Backhoe in the amount of \$53,750. When the new backhoe arrives a 1990 580 backhoe will be transferred to the Wastewater Treatment Plant to replace the 1983 780 B Backhoe that is being traded in.

MOTION: Move that Resolution No. R-07-17 be approved for adoption.

ACTION: THE MOTION WAS MADE BY MAYOR YORK AND SECONDED BY COMMISSIONER HORN. ROLL CALL VOTE – ALL AYE.

8. Resolution No. R-07-18 – A Resolution to issue a purchase order to Quality Motors, Inc. for a 2008 Ford F-350 1-Ton Cab-Chassis with service body for Water/Wastewater Utilities.

- Public Works Director Chuck Shively addressed the Commission stating the 2006 Water-Wastewater Utility Capital Improvement Fund had \$35,000 budgeted for replacement of a one-ton service truck at the Water Distribution/Wastewater Collection Division. The truck was not purchased in 2006 and the funds were carried over to 2007. Bid notices were sent out to five dealers and two bids were received. Staff recommends purchasing the vehicle from Quality Motors.

MOTION: Move that Resolution No. R-07-18 be approved for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY COMMISSIONER HENDRYX. ROLL CALL VOTE – ALL AYE.

9. Resolution No. R-07-19 – A Resolution to issue a purchase order to Perl Chevrolet-Buick for a 2007 Chevrolet Trail Blazer for the Public Works Department.
- Public Works Director Chuck Shively addressed the Commission stating the 2006 Wastewater Utility Capital Improvement Fund had \$28,000 budgeted for replacement of the vehicle utilized by the Public Works Director. The vehicle was not purchased in 2006 due to budget concerns, and the money was carried over to 2007. Bids were requested for a new 2007 model four door four-wheel drive vehicle with specs also allowed for a used vehicle. Three bids for new vehicles and four for used vehicles were received. Staff recommends authorizing the purchase from Perl Chevrolet-Buick of a new 2007 Chevrolet Trail Blazer for \$21,831. This vehicle will replace the 2001 Chevrolet Tahoe which was transferred to the Electric Distribution Department in 2005. The Electric Distribution Department has agreed to pay \$15,000 toward the purchase of this vehicle.
- MOTION: Move that Resolution No. R-07-19 be approved for adoption.
- ACTION: THE MOTION WAS MADE BY COMMISSIONER HENDRYX AND SECONDED BY COMMISSIONER HUMMEL. ROLL CALL VOTE – ALL AYE.
10. Resolution No. R-07-20 – A Resolution to issue a purchase order to Pump & Power Equipment for a Model #14MF Mixed Flow Pump for the Parmac Levee Pump Station.
- Public Works Director Chuck Shively addressed the Commission stating the Parmac levee pump station is equipped with three pumps which have been in service since the early 1950's and is owned, operated and maintained by the city as part of the flood control levee. Following an inspection in September of 2006, it was determined the pump has excessive vibration which indicates the shaft bearings or the shaft is worn. The only way to determine the extent of the damage is to pull the pump and motor and dismantle the assembly to determine what parts must be replaced. This could take 16 to 18 weeks. The pump is operable in its present condition; staff has determined it would be more feasible to replace the pump and have it inspected to determine if it could be repaired for use as a spare. Two vendors were contacted with one quote received. Staff recommends purchasing a replacement pump from Pump & Power Equipment at a cost of \$19,250.
- MOTION: Move that Resolution No. R-07-20 be approved for adoption.
- ACTION: THE MOTION WAS MADE BY COMMISSIONER HUMMEL AND SECONDED BY COMMISSIONER GONZALES. ROLL CALL VOTE – ALL AYE.
11. Resolution No. R-07-21 - A Resolution to issue a purchase order to Henry's Small Engines for ten Echo weed eaters for the Public Service Department.
- Public Works Director Chuck Shively addressed the Commission stating bids were requested for ten weed eaters. The low bid was from Henry's Small Engines in Independence for Echo trimmers; the lowest local quote was approximately 5% above the low quote. According to the City's procurement policy, preference shall be given to local vendors whose price is within 5% of the low bid so long as the quality of goods and/or services to be purchased is equivalent to or greater than the low bid and all other things being equal. As the trimmers currently used by Public Service are Echo trimmers, purchasing new Echos would mean the parts would be interchangeable. Even though the

local quote is slightly under the 5% allowance, staff recommends purchasing the ten trimmers from Henry's Small Engines. Following discussion, it was determined Public Service would investigate the other brand quoted – Dolmar – as they were unfamiliar with that brand.

MOTION: Move that Resolution No. R-07-21 be approved for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY COMMISSIONER HENDRYX. ROLL CALL VOTE – ALL AYE.

12. Ordinance No. S-07-05 – First Reading of an Ordinance to annex property into the City of Coffeyville.

- City Attorney Paul Kritz addressed the Commission and stated plans for construction of the Wal-Mart Supercenter are ongoing; this is one step in the process. Owners of the property where the store will be built have consented to annexation. The property will be zoned at the same time it is annexed. The majority of the 191 acres will be zoned as agriculture with the portion Wal-Mart will occupy zoned C-4.

MOTION: Move that Ordinance No. S-07-05 be approved for First Reading.

ACTION: THE MOTION WAS MADE BY MAYOR YORK AND SECONDED BY COMMISSIONER HORN. ROLL CALL VOTE – ALL AYE.

13. Resolution No. R-07-22 – A Resolution to execute a lease amendment with Sonoco Products for a portion of building located at 900 East Eighth Street.

- City Attorney Paul Kritz addressed the Commission stating this resolution amends the current lease agreement with Sonoco for the building located at 900 East Eighth Street. The amendment states Sonoco has exclusive use of the loading docks; the rent will increase to \$3,090 as of January 1, 2007 and includes rent escalators for subsequent extensions.

MOTION: Move that Resolution No. R-07-22 be approved for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY COMMISSIONER HUMMEL. ROLL CALL VOTE – ALL AYE.

14. Resolution No. R-07-23 – A Resolution to execute a demolition and material recovery agreement addendum with Richland Enterprises.

- City Attorney Paul Kritz addressed the Commission stating this resolution amends the current demolition and material recovery agreement with Richland Enterprises to extend the completion date to remove the old mill at 1308 South Maple until July 1, 2007.

MOTION: Move that Resolution No. R-07-23 be approved for adoption.

ACTION: THE MOTION WAS MADE BY MAYOR YORK AND SECONDED BY COMMISSIONER HENDRYX. ROLL CALL VOTE – ALL AYE.

EXECUTIVE SESSION

Consultation with an attorney on matters that would be deemed privileged in attorney-client relationship.

MOTION: Move to adjourn to Executive Session for consultation with an attorney on matters that would be deemed privileged in attorney-client relationship to reconvene on or before 9:45 p.m.

ACTION: THE MOTION WAS MADE BY MAYOR YORK AND SECONDED BY COMMISSIONER HORN. ROLL CALL VOTE – ALL AYE.

Mayor York reconvened the meeting at 9:45 p.m.

15. Discussion on execution of Southwest Power Pool System Impact Study Agreement for Additional Transmission Service.
 - Electric Utility Director Bernie Cevera addressed the Commission stating point-to-point transmission service from the Southwest Power Pool provides highly reliable transmission service. A supplemental transmission reservation request is required to determine if sufficient transmission capacity is available to deliver purchased power supplies to projected City loads in excess of the current 114 MW transmission limitation. Once requested, SPP will conduct a System Impact Study to determine if additional facilities may be required to support Coffeyville's additional transmission needs. The cost of this required study is estimated to be \$30,000.
16. Discussion on execution of a Southwest Power Pool system Impact Study Agreement for Additional Transmission Service.
 - Electric Utility Director Bernie Cevera addressed the Commission stating Network Integration Transmission Service from the Southwest Power Pool provides highly reliable transmission service. The City is studying conversion of the AEP 114 MW point-to-point reservation to Network Integration Transmission Service. There is no cost for the conversion, however, a supplemental agreement needs to be made for loads in excess of 114 MW. The Southwest Power Pool will conduct an impact study to determine if additional facilities may be required to support the City's transmission needs. The cost of the study is estimated to be \$30,000 which the City would be obligated to pay.
17. Resolution No. R-07-24 – A Resolution to execute System Impact Study Agreements with the Southwest Power Pool.
 - Electric Utility Director Bernie Cevera addressed the Commission stating Network Integration Transmission Service (NITS) from the Southwest Power Pool provides highly reliable transmission service. Coffeyville Resources Nitrogen Fertilizer has requested a system impact study for 114 MW specifying Kansas City Power & Light as the energy supplier. SPP will conduct a System Impact Study to determine if additional facilities may be required to support Coffeyville's transmission needs. The cost of the study is currently estimated at \$30,000 with Coffeyville Resources Nitrogen Facility agreeing to pay for the cost. This resolution will approve all three System Impact Study Agreements with the Southwest Power Pool.

MOTION: Move that Resolution No. R-07-24 be approved for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY COMMISSIONER HENDRYX. ROLL CALL VOTE – ALL AYE.

18. Ordinance No. G-07-04 – First Reading of an Ordinance to add a new rate schedule for high voltage service customers.

- Electric Utility Director Bernie Cevera addressed the Commission stating the original scope of work for the Electric System Master Plan, currently underway by Lutz, Daily & Brain, was expanded to include development of an electric rate for customers whose demand is larger than 20 MW. Lutz, Daily & Brain has developed an electric rate for larger electric loads where service is taken at voltage of 12.450kV or higher and whose demand is larger than 20 MW. This rate will be available to both existing and prospective customers whose character of service will meet the qualifications of the rate.

MOTION: Move that Ordinance No. G-07-04 be approved for First Reading.

ACTION: THE MOTION WAS MADE BY COMMISSIONER HORN AND SECONDED BY MAYOR YORK. ROLL CALL VOTE – ALL AYE.

19. Comments from Commissioners or Staff

- Jeff Morris confirmed with Commissioners their desire to sponsor a Coffeyville Cultural Arts program this year.
- Jeff reviewed upcoming events and requested the Commissioners let staff know if they are interested in attending: Meeting with Representative Todd Tiaht, February 19; Lunch with Senator Pat Roberts, February 27; Meeting with KDOT officials, February 21, Legislative Eggs & Issues, February 26. There will be a Business After Five in the CCC Oak Room on February 27.

J. EXECUTIVE SESSION(s)

1. None

K. GENERAL STAFF, COMMITTEE & BOARD REPORTS AND MINUTES

1. Finance Department – Sales and property tax reports
2. Inspections Department – January report
3. Building Permit for January
4. Planning Commission – Minutes of October 19, 2006, meeting
5. Engineering Department – KDOT Correspondence
6. Kansas Water Office – Notice of Chuck Shively’s selection for Verdigris Basin Advisory Committee
7. Police Department – 2006 Statistics
8. Hillcrest Golf Course – 2006 Report
9. Coffeyville Public Library – Minutes of December meeting
10. Correspondence from Field Kindley High School
11. CRMC – Monthly report
12. Correspondence from Cox Communications

L. ADJOURNMENT

MOTION: Move to adjourn.

ACTION: THE MOTION WAS MADE BY MAYOR YORK AND SECONDED BY COMMISSIONER HUMMEL. ROLL CALL VOTE – ALL AYE.

TIME THE MEETING WAS ADJOURNED: 10:30 P.M.

**REGULAR CITY COMMISSION MEETING MINUTES
TUESDAY, FEBRUARY 13, 2007**

The next meeting will be Tuesday, February 27, 2007, 6:30 p.m.

Date minutes were approved 02/27/07

Cindy Price
Cindy Price, City Clerk

