

**REGULAR COMMISSION MEETING MINUTES
TUESDAY, SEPTEMBER 25, 2007
6:30 P.M.**

The Board of Commissioners met in Regular Session at 6:30 p.m. with Mayor Virgil O. Horn, Jr., presiding.

Those in attendance were:

COMMISSIONER ALEC HENDRYX
COMMISSIONER LOUIE HUMMEL
COMMISSIONER PAM JONES

Those absent:

COMMISSIONER RICHARD GONZALES

City Staff in attendance were:

CITY MANAGER JEFF MORRIS
CITY CLERK CINDY PRICE
CITY ATTORNEY PAUL KRITZ
FINANCE DIRECTOR STEPHANIE RICHARDSON
ELECTRIC UTILITY DIRECTOR BERNIE CEVERA
PUBLIC WORKS DIRECTOR CHUCH SHIVELY
WATER/WASTEWATER SUPERINTENDENT JIM BRADSHAW
PLANNER/ARCHITECT DENNIS JACOBS
POLICE CHIEF JOE HUMBLE
ELECTRIC GENERATION SUPERINTENDENT DAVE HANNA

- A. CALL TO ORDER** – Mayor Horn
- B. INVOCATION** – Rev. John Collins, First United Methodist Church
- C. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**
- D. MINUTES**
1. Regular City Commission Meeting Minutes – Tuesday, September 11, 2007
ACTION: Approved as presented
- E. APPROPRIATION ORDINANCE(s).**
1. 2007 Appropriation Ordinance No. AO-07-30 – \$3,658,134.63
MOTION: Move to approve Appropriation Ordinance No. AO-07-30 in the total amount of \$3,658,134.63 for adoption.

ACTION: THE MOTION WAS MADE BY MAYOR HORN AND SECONDED BY COMMISSIONER HUMMEL. ROLL CALL VOTE - ALL AYE EXCEPT COMMISSIONER GONZALES WHO WAS ABSENT.
 2. 2007 Appropriation Ordinance No. AO-07-31 (Hummel) – \$ 1,698.29
MOTION: Move to approve Appropriation Ordinance No. AO-07-31 in the total amount of \$1,698.29 for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER HENDRYX AND SECONDED BY COMMISSIONER JONES. ROLL CALL VOTE -

ALL AYE EXCEPT COMMISSIONER GONZALES WHO WAS ABSENT AND COMMISSIONER HUMMEL WHO ABSTAINED.

3. 2007 Appropriation Ordinance No. AO-07-32 (Flood) – \$ 23,349.77
MOTION: Move to approve Appropriation Ordinance No. AO-07-32 in the total amount of \$23,349.77 for adoption.

ACTION: THE MOTION WAS MADE BY COMMISSIONER HUMMEL AND SECONDED BY COMMISSIONER JONES. ROLL CALL VOTE - ALL AYE EXCEPT COMMISSIONER GONZALES WHO WAS ABSENT.

4. 2007 Appropriation Ordinance No. AO-07-33 (Hummel Flood) – \$ 332.70
MOTION: Move to approve Appropriation Ordinance No. AO-07-33 in the total amount of \$332.70 for adoption.

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

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

1. Presentation of City of Coffeyville Service Awards
 - Commissioners presented a ten-year service award to City Manager Jeff Morris; and Commissioners and Police Chief Joe Humble presented a ten-year service award to Police Officer Darin Daily. Other employees receiving 2007 service awards included Electric Department – Tony Hoy, Bob Robbins and Jeff Braschler; Fire Department – Jon Graham, Joe Rexwinkle and Jim Hayes; Public Service – Bryan Allen, Harold Brown, Clark High, Jeff Howard and Bobby Taylor; Utilities – Rita Whittington; and Water/Wastewater – Gary Phelps, Harry Stanley and Gary Sultz.

2. Proclamation to declare the week of September 30 to October 6 as Community Harmony Week in Coffeyville.
 - Mayor Horn read and presented a proclamation to members of PINCH declaring the week of September 30 to October 6 as Community Harmony Week.

3. Proclamation to declare the week of September 17-23 as Constitution Week in Coffeyville. (note: this was received after the September 11 meeting)
 - Mayor Horn read a proclamation declaring the week of September 17-23 as Constitution Week in Coffeyville.

G. OTHER BUSINESS

1. Comments from Public
 - Dorothy Conklin, 2506 West Eighth Street, representing the Lions Club, stated they were concerned people believe the Memorial Hall lot project is just a gazebo project. She stated the purpose is to have an attraction, gathering place, and to honor the veterans as that lot is veterans hallowed ground, and the Lions want to honor all veterans as well as all flood volunteers.

H. OLD BUSINESS

1. Ordinance No. G-07-14 – Second Reading of an Ordinance to amend the Storm Water Utility Ordinance.

- No changes from First Reading.

MOTION: Move that Ordinance No. G-07-14 be passed to Second Reading and approved for adoption.

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

I. NEW BUSINESS

1. Ordinance No. S-07-17 – First Reading of an Ordinance to rezone property at 2012 South Willow Street.

- Planner/Architect Dennis Jacobs addressed the Commission stating Linda Lee, 2102 South Willow Street has applied for a rezoning of her property from R-1 (Single Family Residential) to C-1 (Local Business District) with the intention of manufacturing and selling hand-made soaps, bath salts, bath oils and gift sets. The Planning Commission voted unanimously in favor of recommending this property be rezoned.

MOTION: Move that Ordinance No. S-07-17 be approved for First Reading.

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

2. Discussion and action to set a public hearing regarding deregulation of Electric Utility customers in the KCC jurisdiction.

- Electric Utility Director Bernie Cevera addressed the Commission stating the Kansas Legislature passed a bill to allow municipal electric and natural gas utilities with KCC jurisdictional customers to be deregulated if they meet a certain set of criteria comprised of:

- Number of customers in outlying areas cannot exceed 40% of the utility's total customers.
- Rates and charges to customers in the outlying area cannot be greater than the rates charged to customers inside and within three miles of the municipal's city limits.
- Non-rate terms of conditions of service to customers in outlying area must be the same as those in and within three miles of the city limits.
- If already lower than rates charged to customers in and within three miles of the city limits, the rates and charges to customers in outlying areas may be increased a maximum of 10% per year until they are equal to those for customers inside the municipality.

- Customers in the outlying areas must be provided with notice by the municipal utility at least ten days before any meeting at which changes to rates and charges will be considered.
- The municipal must furnish, within 21 days upon request, the names, address and rate classifications of customers in the outlying area.
- The municipal must provide to the KCC by May 1 of each year an annual report stating the number of customers served in the outlying area as well as the total number of customers served.

MOTION: Move to set a Public Hearing regarding deregulation of Electric Utility customers in the KCC jurisdiction for 6:30 p.m. Tuesday, November 13, 2007.

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

3. Resolution No. R-07-106 – A Resolution to issue a change order for the Blackstart Generator to Emergency Power Systems.

- Electric Utility Director Bernie Cevera addressed the Commission stating two change orders were previously executed and paid, but not yet acted on, by the Commission for the blackstart generator project. The first change order in the amount of \$5,000 was for 8,000 square feet of AB-3 top cap for an average overall thickness of four inches of gravel for the entire area inside the sidewalks and brick alley. The second change order was for \$9,925 to add 240 tons of compactable rock for an average overall thickness of 19 inches for a crane base approximately 25 feet wide by 90 feet long from Spring Street to the main fuel tank pad, and to remove 30 feet of curb on the street and extend the overhead door apron to the street by adding a concrete driveway with wire mesh reinforcement.

MOTION: Move to approve Resolution No. R-07-106 for adoption.

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

4. Resolution No. R-07-107 – A Resolution to declare an urgent need to remove certain structures in the flood affected area of the City of Coffeyville.

POSTPONED

5. Discussion and action to set a public budget hearing for Monday, October 8, 2007, at 5:30 p.m.

MOTION: Move to set a Public Budget Hearing for 5:30 p.m. Monday, October 8, 2007

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

6. Resolution No. R-07-108 – A Resolution to authorize execution of System Impact Study Agreements with the Southwest Power Pool.

- Electric Utility Director Bernie Cevera addressed the Commission stating the City's transmission requirements must change because of obligations within the Grand River Dam Authority (GRDA) contract. To change to network transmission service the Southwest Power Pool will conduct System Impact Studies to determine if additional facilities may be required to support Coffeyville's transmission needs. Two initially required studies need to be funded, one for normal load growth and one for normal load growth plus a large expansion at Coffeyville Resources Nitrogen Fertilizer plant. The costs of these studies are currently estimated at \$30,000 each, and are required due to the City's load which has been and is projected to be above 114 MW.

MOTION: Move to approve Resolution No. R-07-108 for adoption.

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

7. Resolution No. R-07-109 – A Resolution to approve a Real Estate Sale Contract and support a housing tax credit application by Overland Property Group for 1002 Gillam.

- City Attorney Paul Kritz addressed the Commission stating the site previously identified for Overland Property at 902 Lewark fell through; they have identified an alternate location for the project at 1002 Gillam, the McKinley School site, owned by the City of Coffeyville. So Overland Property can move forward with their application, they have requested a real estate sale contract for the McKinley School property. As there has been other interest in that site, the City reserves a 90-day right to issue a request for proposals for that property. Austin Chamberlin, representing Overland Property, stated he anticipates 60-90 days for approval of the tax credit application; 60 days to finalize finances and an approximate 8-month construction phase.

MOTION: Move to approve Resolution No. R-07-109 for adoption.

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

8. Comments from Commissioners or Staff

- IT Manager, Chris Felix, updated Commissioners on the recent maintenance project for the Coffeyville Wireless Internet. With the changes, the City can manage each tower location as well as the traffic going across the service. It was discovered the backhaul between the Stadium and City Hall is being overused, thus it is recommended to replace

those units; the ones currently in use can be used at the new tower location. Felix also stated bandwidth will be added to the system. Commissioner concurred with replacing backhaul units.

- City Clerk Cindy Price reviewed camp ground rates from area facilities and suggested the Commission consider increasing the rates to \$8 per night once the camp ground is reopened and then an additional increase once the sites are upgraded to full service. Currently the sites only have water and electric with a dump station in the park. Commissioners concurred with the increase.
- Public Works Director Chuck Shively discussed a CDBG application for the Youth Activities Center for maintenance, restrooms and handicap accessibility. If approved, there would be a 25% match required from the City. Commissioner Hummel suggested contacting the school district for funding assistance with the grant or to perhaps pay rent for use of the building for the Boys & Girls Club.
- The City currently has a CDBG for housing demolition; Commissioners were asked to consider contracting out for demolition of homes rather than using City crews. This would allow the City crews to keep working on streets. Commissioners concurred with contracting out the housing demolition.
- City Manager Jeff Morris reviewed the motel proposals received for Memorial Hall lot and the parking lot north of Super 8. Proposals were to include the purchase price and amenities offered. Three proposals were received from two firms; all were for the Memorial Hall lot. Proposals received were:
Gandhi – current owner of Regal Inn and Schwinn; purchase price \$202,000 for the site; the motel would be a franchise (Holiday Inn Express, Baymont Inn or Comfort Inn), they have their financing already in place.
Coffeyville Hospitality LLC – Ron McVey and local investors; purchase price \$250,000; Sleep Inn franchise.
Coffeyville Hospitality LLC – 2nd proposal, purchase price \$100,000; Sleep Inn; property would include a meeting room; thus the lower purchase price.
Commissioners Jones and Hendryx stated they are disappointed in the purchase price offered; Mayor Horn reiterated the proposals are not acceptable; Hendryx was concerned about wood frame facilities; Commissioner Hummel wants input from Commissioner Gonzales before a decision is made.

J. EXECUTIVE SESSION(s)

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 9:20 p.m.

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

Mayor Horn stated no action would result from the Executive Session.

TIME THE MEETING WAS RECONVENED: 9:20 p.m.

K. GENERAL STAFF, COMMITTEE & BOARD REPORTS AND MINUTES

1. City of Coffeyville Salute A Business Recognition
2. Article on blackstart generator from Baldor Electric Co.
3. Electric Utility Communication – Information regarding PCA
4. Board of Zoning Appeals – Minutes of August 16 meeting
5. Coffeyville Public Library – Minutes of August 14 meeting
6. Communication from Cox Communication
7. Communication from Class LTD
8. CRMC Reports
9. Montgomery County Action Council – Minutes of July 26 meeting

L. ADJOURNMENT

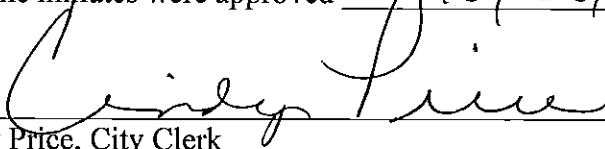
MOTION: Move to adjourn.

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

TIME THE MEETING WAS ADJOURNED: 9:40 p.m.

Date the minutes were approved _____

10/08/07



Cindy Price, City Clerk