

REGULAR COMMISSION MEETING MINUTES
TUESDAY, JUNE 12, 2012
6:30 P.M.

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

Present:

MAYOR DAVID GEORGE
COMMISSIONER DON EDWARDS
COMMISSIONER RICHARD GONZALES
COMMISSIONER PAM JONES

Absent:

COMMISSIONER VIRGIL O. HORN, JR.

City Staff in attendance were:

CITY CLERK/INTERIM CITY MANAGER CINDY PRICE
CITY ATTORNEY PAUL KRITZ
FINANCE DIRECTOR STEPHANIE RICHARDSON
IT DIRECTOR CHRIS FELIX
PUBLIC WORKS DIRECTOR CHUCK SHIVELY
ELECTRIC UTILITY DIRECTOR GENE RATZLAFF
ELECTRIC UTILITY DEPUTY DIRECTOR MIKE SHOOK
FIRE CHIEF JAMES GRIMMETT
DEPUTY PUBLIC WORKS DIRECTOR JIM BRADSHAW

- A. CALL TO ORDER** – Mayor David George
- B. INVOCATION** – Pastor Doug Mund, Grace Fellowship Church
- C. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**
- D. REVIEW OF AGENDA**
- E. CONSENT AGENDA ITEMS**
1. Regular City Commission Meeting Minutes – Tuesday, May 22, 2012
 2. 2012 Appropriation Ordinance No. AO-12-10 – \$1,071,933.96
- MOTION: Move to approve the consent agenda as presented.
- ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND SECONDED BY MAYOR GEORGE. ROLL CALL VOTE – ALL AYE EXCEPT COMMISSIONER HORN WHO WAS ABSENT.
- REGULAR AGENDA ITEMS**
- F. PUBLIC HEARING(s), SPECIAL PRESENTATION(s), & PROCLAMATION(s).**
- G. COMMENTS FROM THE PUBLIC**
- Mary Wilson reported on the Farmers Market.
- H. OLD BUSINESS**
1. Ordinance No. S-12-05 – Second Reading of an Ordinance to vacate certain streets in the City of Coffeyville

MOTION: Move to approve Ordinance No. S-12-05 for adoption.
ACTION: THE MOTION WAS MADE BY COMMISSIONER GONZALES AND
SECONDED BY COMMISSIONER JONES. ROLL CALL VOTE – ALL
AYE EXCEPT COMMISSIONER HORN WHO WAS ABSENT.

I. NEW BUSINESS

1. Resolution No. R-12-58 – A Resolution to execute a lease agreement with the City of Coffeyville Board of Trustees of Coffeyville Regional Medical Center.
 - City Attorney Paul Kritz addressed the Commission stating the City of Coffeyville owns Coffeyville Regional Medical Center. The management and control of CRMC is with a 7-member Board of Trustees appointed by the Board of Commissioners. The Board of Trustees appoints a 7-member Board of Directors to operate the hospital. An operating lease was executed in 1996 between the City, CRMC Board of Trustees and the hospital for a 5-year term plus 2 five-year renewals with an expiration date of January 1, 2012. In 2002, when the sales tax was passed for hospital expansion, a supplemental lease agreement was executed stating the operating lease would remain in effect so long as the bonds were outstanding which is anticipated to be 2018 or sooner. The CRMC attorney has suggested a renewal to a specific date rather than when the bonds are paid off and suggested a 50-year lease for \$1 per year. Commissioners expressed concern about a 50-year lease and suggested a five-year lease with 2 five-year renewals. Commissioner Edwards expressed concern over the \$1 per year lease amount.

Postponed for future meeting.

2. Resolution No. R-12-59 – A Resolution to authorize the establishment of a cash security deposit with the Southwest Power Pool.
 - Finance Director Stephanie Richardson addressed the Commission stating the Southwest Power Pool provides transmission services for Coffeyville Municipal Light & Power. CMLP currently has a line of credit with the SPP in the amount of \$250,000 to cover the cost of transmission services for the city's power. According to the agreement, if the charges reach 90% of the line of credit, or \$225,000, the City is notified of a violation of the contract. During 2012, all but one of the invoices has triggered a violation notice. As a result, SPP is now requesting the City post financial security in the form of a letter of credit or cash security deposit in the amount of \$200,000. After review, the best option for the City would be to establish a cash security deposit which would be placed in an interest bearing account rather than a letter of credit which would cost the electric utility \$4,000 each year plus a flat fee of ¼% of any draw amount.

MOTION: Move to approve Resolution No. R-12-59 for adoption.

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

3. Discussion with Chaparral on pipeline easement agreement.
 - Keith Tracy who is the Supply and Transport Manager for Chaparral Energy discussed the CO₂ compression and pipeline project. This project will capture carbon dioxide emissions from Coffeyville Resources Nitrogen Fertilizer facility and pipe it to a location near Ponca City. The CO₂ will be injected into an oil reservoir to produce previously

unrecoverable oil. The pipeline will run through Walter Johnson Park, and Chaparral needs to obtain an easement from the City. Chaparral has been working with City Staff on the wording of the easement which will be brought to Commissioners for approval at the next meeting.

4. Comments from Commissioners and Staff

- Cindy Price provided an update on ongoing city projects and reported a public access computer has recently been installed at City Hall. Regarding an item Commissioners discussed at the previous meeting, Price reported the signage which affected visibility at 5th & Northeast had been removed. Commissioners will be given a copy of a model temporary sign ordinance to review. At the previous meeting, Fred Wigley had requested Commissioners consider a change in ordinance to allow electric submetering so his campground could pass the electric usage along to his customers. Price reported additional research had been done, however, staff could find no other KMEA member city that did this nor the names of campgrounds that had an additional charge for electricity. Commissioners stated they do not wish to revise the ordinance at this time.

J. EXECUTIVE SESSION(s)

1. Non-elected personnel

MOTION: Move to adjourn to Executive session for discussion of non-elected personnel to reconvene on or before 7:50 p.m.

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

Time the meeting was reconvened: 7:50 p.m.

There was no action taken as a result of the Executive Session.

- Deputy Public Works Director Jim Bradshaw addressed the Commission stating the sanitary sewer system in the intersection of 8th & Central has collapsed. Upon inspection of the sanitary sewer they also found the storm sewer to be bad which is allowing large amounts of rain water into the sewer collection system. Two quotes were requested with the low bid from T.C. Underground at \$49,250. Commissioners approved proceeding with this sewer repair.

K. GENERAL STAFF, COMMITTEE & BOARD REPORTS AND MINUTES

1. Sales tax report
2. Police Department report
3. Hillcrest Golf Course marketing report
4. Communication from Downtown Coffeyville

L. ADJOURN

MOTION: Move to adjourn.

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

Time the meeting was adjourned: 8:05 p.m.

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Date the minutes were approved 06/26/12


Cindy Price, City Clerk