

CITY OF DE SOTO
CITY COUNCIL
City Hall, 32905 W. 84th Street
February 19th, at 7:00 P.M.

MINUTES

The meeting was called to order with Roll Call by Mayor David Anderson.

Roll Call:	Cannon	Present	Morse	Present
	Drennon	Present	Templin	Present
	Maniez	Present		

Mayor Anderson led the Pledge of Allegiance. Guests signed the book on page 136.

Motion by Councilman Maniez to amend the Agenda to include Item 1.c, Resolution No. 835, Authorizing the Offering for Sale of General Obligation Temporary Notes, Series 2009-1 and General Obligation Refunding and Improvement Bonds, Series 2009-A, of the City of De Soto, Kansas; second by Templin.

All Council approved by “ayes”.

Motion carried.

Consent Agenda Items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action.

1. Consent Agenda:
 - a. Approve Minutes of the Council Meeting of February 5th, 2009.
 - b. Approve Pay Ordinance No. 611.
 - c. Approve Resolution No. 835 Authorizing the Offering for Sale of General Obligation Temporary Notes, Series 2009-1 and General Obligation Refunding and Improvement Bonds, Series 2009-A, of the City of De Soto, Kansas.

Attorney Gina Riekhof, City’s Bond Counsel, discussed the Resolution for the offering of sale of the notes and bonds. Bond Counsel will be back in about a month with the sale. She also introduced Jenny Deters who will be working with Gary Anderson on the notes and bonds sale. Ms. Kelsey Powell stated the bond market has been more difficult in the past few months due to the economy. The City has always had a great credit rating and she doesn’t have a big concern at this time regarding the City’s sale of the bonds. The sale will be on March 19th. Council discussed the particulars with Ms. Powell regarding the sale of the temporary notes and bonds.

Motion by Councilman Maniez to approve the Consent Agenda; second by Cannon.

Roll Call:	Cannon	Yes	Morse	Yes
	Drennon	Yes	Templin	Yes
	Maniez	Yes		

Motion carried.

2. Call to Public:

“Members of the public are welcome to use this time to comment about any matter relating to City business that is not listed on this Agenda. The comments that are discussed under Call to Public

may or may not be acted upon by the Council during this meeting. **There is a four-minute time limit.** Please stand and wait to be recognized by the Mayor.”

Ms. Sally Pickett, a representative of Engineered Air, stated Eng Air is presenting a check to the Chamber in the amount of \$5,000 for the upcoming Chamber event and they are challenging the City and other businesses to donate additional funding and sponsorship for the upcoming Chamber event to bring country music artist, Tracy Byrd, in for this event.

3. Chamber / EDC Report: Executive Director, Sara Ritter, stated she is foregoing the Chamber report until later in this meeting.

4. Old Business:

a. Discussion on long-term water supply alternatives. Engineer Mike Brungardt provided a power point presentation and commentary regarding the options the City has. He stated that this presentation will be on the City’s website next week. The City has been discussing long-term water options for the past eight (8) or more years. Engineer Brungardt provided a recap of previous discussions. The power point presentation prints are attached hereto and incorporated as a part of these Minutes.

Discussion between Engineer Brungardt, Ms. Powell and Mayor Anderson regarding the General Obligation bonds as a funding option.

Discussion between Councilman Maniez and Engineer Brungardt regarding the funding for equipment replacement being taken from, or reserved from, the electric utility fund. If there are no major repairs, then the money is still in the electric fund and available. Councilman Maniez stated he has run the numbers with the funding reserved in the electric fund and the percentage drops from 21% to 7% approximately. Engineer Brungardt stated that we should expect there to be a need for major repairs within a 20 or 30 year timeframe because of the life expectancy of some of the water plant components. Discussion ensued among Council members Drennon and Maniez, Mayor Anderson and Engineer Brungardt. Administrator Guilfoyle stated there are some factors to be considered in sheltering a portion of the electric utility fund. He said this fund could help the City weather the economic storm during the next several years.

Engineer Brungardt continued the power point presentation regarding the potential discussions with RWD #6 and RWD #7 in a cooperative wholesale partnership with De Soto utilizing the Sunflower Water Treatment Plant. He then presented the conclusions.

Mayor Anderson called a five-minute recess at 8:20 p.m.

Mayor Anderson reconvened the Council at 8:28 p.m.

Mr. Bob Garrett commented that if the City purchases water from Olathe, then the City will lose its water rights in five (5) years for lack of use. Discussion between Engineer Brungardt and Mr. Garrett regarding water rights on the Kansas River. The water rights are projected to be sufficient for future allocations and there is an entity, the Water Assurance District, who guarantees water will be released from storage if necessary to meet the water commitments. Engineer Brungardt said the City could start over with new water rights. Mr. Garrett asked what it would cost to start over in future with a new plant. Engineer Brungardt stated it could cost \$15 million. The water right issue is a valid concern.

Mr. Garrett asked Mayor Anderson what were the comments from the Council Forum last evening. Mayor Anderson said everyone was discussing the water situation. He stated there was also a feeling that the City didn’t communicate better with the citizens.

Councilman Maniez asked if the City would be better off to choose an option and go for the Stimulus funding. Engineer Brungardt said the representative for the Senator stated there is a better chance when the community or a group is concentrated on one project. Mayor Anderson stated there is a definite advantage when everyone has made a concerted effort on a project. Continued discussion between Councilman Maniez and Engineer Brungardt on the prospect of stimulus funding for a designated project.

Councilwoman Templin asked how serious RWD #6 is for a wholesale partnership. Discussion between Engineer Brungardt and Councilwoman Templin regarding the time frame RWD #6 is in and if their need is immediate, or can they wait. Comments by Attorney Reavey that past conversations have mentioned that RWD #6 did have some interest in the Sunflower property. Engineer Brungardt stated that has not been discussed in the recent conversations.

Mr. Andy Everett commented that the water distribution system would have to be upgraded. He asked if there was an option to apply for grant funding for distribution system improvements. Engineer Brungardt stated the City's water loss rate currently is significantly high, and a good portion of the loss is in lines on the Sunflower property.

Mayor Anderson requested for the record that the Minutes state Clarence Brunk, the City's Water Superintendent, is present tonight.

Comments were exchanged between Mr. Bob Garrett and Engineer Brungardt regarding the growth of Olathe's water supply and distribution system. Councilman Drennon and Engineer Brungardt discussed the water plan and construction cost estimates.

Mayor Anderson stated there isn't any real urgency in changing what we are doing right now; there isn't a pressing need unless there is an electrical service failure at the water plant.

Councilman Morse stated he doesn't feel Olathe is a viable option after hearing all the facts tonight. He said a public water district may be the better option. Councilman Drennon said he feels there is now enough information to decide whether or not to pursue Olathe.

Councilwoman Cannon asked Clarence Brunk, Water Superintendent, what is needed at this point. He stated there is an urgency to get some new lines in and a back up generator system. He said the plant needs to be repaired before there is an urgent situation. Mayor Anderson asked Mr. Brunk his opinion of a public water district. Mr. Brunk said he lives in Eudora, but he works here and he loves this city. He says he doesn't believe the City should give up control of their water. He said he attends water conferences and other cities always discuss the water and how it controls their destiny. Discussion between Councilman Maniez and Mr. Brunk regarding the power system at the Sunflower Plant. Engineer Brungardt provided cost estimates for the power upgrades in the amount of approximately \$700,000. The cost for the new water lines would be about One Million Dollars.

Councilman Morse stated the City needs to move on. He said the Council needs to think about this and be ready to vote on this at the next meeting. Councilman Morse said he wants to stay in the water production business as long as we can. Councilman Maniez said he agrees; and he thought that when the City acquired the Sunflower Plant several years ago, this was the direction the City was going to pursue. Discussion.

Motion by Councilman Maniez for the City to stay in the water business and not pursue buying water from Olathe; second by Morse.

Councilman Drennon said from a pure economic situation, we are putting taxpayers at more risk, and we are giving more of a rate increase, but he really feels the motion on the table is the best way for the City to go at this time. Councilwoman Templin said that at the time these discussions were started, our water rates were higher than neighboring communities and several across the state. From all this information that has been thoroughly prepared, the water rates are going to increase no matter which way we go; there will always be estimates and different circumstances. She feels there is an option in a public wholesale district. She is ready to vote on this issue tonight.

Councilwoman Cannon said she has always wanted to stay with Sunflower and we need to be able to control what we have. She said Clarence does a good job out there and Clarence needs some upgrades to run the plant. Councilwoman Cannon said our sewer plant used 2,546,900 gallons of water in 2008. The City would have to buy this if we went with Olathe. No further comments and Councilman Morse called for the vote.

Roll Call:	Cannon	Yes	Morse	Yes
	Drennon	Yes	Templin	Yes
	Maniez	Yes		

Motion carried.

Councilman Drennon asked that a committee be formed, and he volunteers, to look at the costs and bids that could come in to pursue a public wholesale water option.

Mr. Garrett said he would like to thank the Council, and he feels they have made a very wise decision tonight for the citizens and for the future of the City.

Mr. Ron McDaniel said he didn't mind a bit that the City raised the water rates. But, he would like to know if the City has raised the bulk meter rate. Mr. Brunk will take care of this.

Council requested staff contact the representative for RWD #6 and let them know of this decision. Discussion by Administrator Guilfoyle on the stimulus grant.

5. New Business:

- a. Consider Chamber of Commerce Request for Transient Guest Tax Funding for 2009. Executive Director, Sara Ritter, introduced the 2009 Chamber Board. She said President Jill Wilks was here earlier, but had to leave. She introduced Vice-President Kris Johnson, and Chamber Secretary Jill Davis. Mrs. Ritter said she requests funding each year from the Transient Guest Tax funds. She outlined her requests as presented to the Council in her Memorandum. She is requesting funding to revamp and produce the De Soto Community Guide in the amount of \$4,000; marketing funding for image enhancement/promotion campaign in the amount of \$2,000; and tourism and marketing of a De Soto Riverfest Event in the amount of \$5,000; for a total request of \$11,000.00. She stated KFKF has agreed to provide radio advertisement if the Chamber does obtain a contract for country music artist Tracy Byrd for an event at the Riverfest Park.

Administrator Guilfoyle stated that last year the Chamber used \$5,725 of its \$13,000 appropriation and Mrs. Ritter is always very cognizant of the bottom line and is frugal in spending.

Motion by Councilman Drennon to authorize \$11,000 from the Transient Guest Tax fund for the

Chamber's request; second by Cannon.

Roll Call:	Cannon	Yes	Morse	Yes
	Drennon	Yes	Templin	Yes
	Maniez	Yes		

Motion carried.

Mrs. Ritter stated the Candidate Forum was held last night. The Chamber will be hosting a candidate forum on Wednesday, March 12th, at the De Soto VFW. There is no charge for the public to attend the meeting unless they purchase lunch. The County will be hosting the County forum in March. The March 25th EDC meeting will be held at Mr. Goodcents. These events are also on the Chamber's website at www.desotoks.org

Councilman Maniez stated the forum was great, except he didn't quite understand the leaning toward the economic development questions for the school board candidates. Discussion between Mrs. Ritter and Councilman Maniez. She stated there is a relationship between the school district and economic development as people do ask about businesses in the district. Also, this is a cooperative effort between the City, Economic Development and the school district.

- b. Consider Relay for Life Donation Request for 2009. Rita Jones said this is the 12th Relay in De Soto. She thanked the Council for their sponsorship last year and the donations, as well as the use of the Senior Center for a meeting. She is back this year for corporate sponsorship and renewal of the City's sponsorship for the Fight Back Banner. She is requesting \$1,250.00 to help fund this year's event. Discussion.

Motion by Councilwoman Templin to grant \$1,250.00 to the Relay for Life; second by Cannon.

Roll Call:	Cannon	Yes	Morse	Yes
	Drennon	Yes	Templin	Yes
	Maniez	Yes		

Motion carried.

- c. Consider Resolution Authorizing Agreement of Withdrawal and Formation of Kansas Group Funded Pool. Administrator Guilfoyle stated Items c, d and e are all related. He provided background information about the Mid-America Regional Council Insurance Trust (MARCIT). He stated there is a great benefit in MARCIT's stability in insurance rates and benefits. Currently, only five Kansas counties within the Kansas City metropolitan area are able to participate. However, recent Kansas Insurance Dept. and Attorney General opinions have changed that in Kansas. In order to satisfy the legal requirements established by the State of Kansas, the Kansas members must first create a separate Kansas-only organization. He outlined the procedure and resolutions that are needed for the City to participate in the newly formed Kansas MARCIT program. This is a great benefit for the City and for the Kansas communities. There is no downside or risk to the City. The new Kansas MARCIT program will extend membership potential beyond the governments within the currently allowed 5 Kansas counties; effective July 1, all of Kansas will become eligible for membership consideration.

Motion by Councilman Maniez to approve Resolution No. 836 Authorizing Agreement of Withdrawal and Formation of Kansas Group Funded Pool; second by Templin.

Roll Call:	Cannon	Yes	Morse	yes
	Drennon	Yes	Templin	Yes

Maniez Yes

Motion carried.

- d. Consider Agreement of Withdrawal and Inter-local Cooperation Agreement for Formation of Kansas Group Funded Pool. (This item was approved in the above Resolution No. 836.)
- e. Consider Resolution Authorizing Procurement of Program or Service.

Motion by Councilman Maniez to approve Resolution No. 837 Authorizing Procurement of Program or Service; second by Cannon.

Roll Call:	Cannon	Yes	Morse	Yes
	Drennon	Yes	Templin	Yes
	Maniez	Yes		

Motion carried.

6. Executive Session: N/A

7. Advisory Reports:

- a. City Administrator, Pat Guilfoyle, stated the Fire Consolidation Advisory committee met last week and is scheduled to meet again on February 26th at 7:00 p.m. The Committee selected Mrs. Linda Zindler as the chairperson for the Advisory Committee. He stated some significant progress has been made and there is a strong potential the next meeting will wrap up the spending side of the 2010 budget. New County Commissioner Hayden and the Deputy County Manager were present at the last meeting. The Committee is moving along smoothly and making good progress.

Councilman Drennon asked if he has heard any news from the state that could affect the City. Administrator Guilfoyle said in looking at the cuts that are in the Governor's budget and in the material received, the City will be affected in two areas: highway tax money and liquor tax money. The state is going to take 100% of the liquor tax money the City would have received. The State is going to take 10%, approximately \$15,000, of the City's highway tax this year.

Administrator Guilfoyle stated he receives a monthly report on retail sales and in November, 2008, the retail sales in Johnson County are down 2%. Of the 13 municipalities that are reported, De Soto ranks third from the top in terms of the increases in retail sales in 2008 over 2007. He said he looked at the sales tax report for the January sales tax, and even in the downturn of the economy, De Soto's sales taxes were up 27% over January 2007.

- b. City Attorney, Patrick Reavey, no report.
- c. City Engineer, Mike Brungardt, no report
- d. City Planner, Linda Bohnsack, was not present. She provided a written report.
- e. City Clerk, Lana McPherson, no report.

8. Council & Mayor Comments:

Mayor Anderson stated he attended the Kansas City Mayors' Prayer Breakfast and the speaker this year was excellent.

Councilman Drennon asked about the installation of the guardrails on 83rd Street. Engineer Brungardt said he had a structural engineer look at attaching the rails to the concrete posts, and it was determined that isn't feasible. The consultant's recommendations have been finalized and we are currently working with the guardrail contractor about a final cost for the recommended approach.

Councilman Maniez asked about the newsletter idea that was brought up in the forum discussions. He said he feels information should be sent out to the public. He requested the Mayor appoint a committee to work on a plan for this. Mayor Anderson and Council members discussed how to approach this.

No further comments from Council members Morse and Cannon.

Motion by Councilman Drennon to adjourn at 9:53 p.m.; second by Cannon.

All Council approved by "ayes".

Motion carried.

Respectfully submitted:

Lana R. McPherson, MMC, City Clerk