

EL DORADO CITY COMMISSION MEETING

January 7, 2018

The El Dorado City Commission met in a regular session on January 7, 2018 at 6:30 p.m. in the Commission Room with the following present: Mayor Vince Haines, Commissioner Matt Guthrie, Commissioner Gregg Lewis, Commissioner Nick Badwey, Commissioner Kendra Wilkinson, City Manager David Dillner, City Attorney Ashlyn Lindskog, City Engineer Scott Rickard and City Clerk Tabitha Sharp.

VISITORS

Deanna Bonn	Everyday El Dorado	El Dorado, KS
Norman C	626 S Topeka	El Dorado, KS
Don Wedel	3171 SE Sage	El Dorado, KS
Tammy Schaffer	220 E 1 st	El Dorado, KS
Curt Zieman	128 N Vine	El Dorado, KS
Kevin Wishart	220 E 1 st	El Dorado, KS
Brad Meyer	222 E 2 nd	El Dorado, KS
Linda Clark	112 Rim Rock Rd	El Dorado, KS
Lee White	Butler County Watchdog	El Dorado, KS

CALL TO ORDER

Mayor Vince Haines called the January 7, 2018 meeting to order.

INVOCATION

Mother Christine Gilson, Trinity Episcopal Church, opened the meeting with an invocation.

PLEDGE OF ALLEGIANCE

The City Commission led the Pledge of Allegiance.

PUBLIC COMMENT

Mayor Vince Haines opened the floor for public comment.

There were no comments.

CONSENT AGENDA

Approval of City Commission Meeting Minutes for December 17, 2018.

Approval of Appropriation Ordinance No. 12-18 in the amount of \$1,760,747.59.

Commissioner Nick Badwey moved to approve the consent agenda as presented.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

DEPARTMENT PRESENTATIONS FOR PUBLIC WORKS AND ENGINEERING

The City Commission tabled this item.

GREAT LIFE GOLF AGREEMENT

City Manager David Dillner stated that there is an agreement included in the agenda packet providing a proposal to purchase the golf course. He stated that the agreement includes personal and intangible property.

City Manager Dillner reviewed the proposal that has been previously discussed by the Prairie Trails Advisory Board and the City Commission. He stated that there are two rights of refusal included. The first right of refusal pertains to the operation of the golf course as a golf facility and will last for seven years. He stated at the end of the seven year period, we still have a right of first refusal, but it will be sold at market value. He stated that if they decide to sell the facility as a golf course to another company, we will have the right to either meet or exceed that offer to keep the course.

Mayor Vince Haines asked if the land should be included in the agreement like the equipment is.

City Manager Dillner stated the challenge in that is that the \$550,000 includes the land but it isn't associated with a figure.

City Attorney Ashlyn Lindskog asked for clarification.

Mayor Haines stated he would like to see it separated into real property and personal property.

City Attorney Lindskog stated that the 5% reduction takes into account those assets.

Commissioner Matt Guthrie stated that he felt like the number associated with the equipment would be miniscule.

City Attorney Lindskog stated that the purchase price is for the facilities, which includes the personal and real property. She stated that the way it is drafted now, they will give us everything back plus the improvements, minus the five percent for the depreciation of the assets. She stated that it is the simplest way to account for those assets without going out and having them all valued.

Commissioner Nick Badwey stated that he didn't think it would be worth much either. He stated that if we sell it with a tee mower, he expects that if we buy it back, we will buy back a tee mower. He stated that in his opinion, this agreement will protect the land, we will have to purchase equipment if we purchase it back.

City Attorney Lindskog stated that the agreement really protects land use.

Mayor Haines asked if GreatLife sells to another entity and the City chooses not to exercise the right to purchase, can we insert a right of first refusal into their agreement with a new purchaser.

City Attorney Lindskog stated that we might be able to negotiate something with the new company at that point.

Mayor Haines asked if there was a restriction or covenant that could be placed in the platting.

City Engineer Scott Rickard stated that he didn't think we could with the plat, it might be possible with the deed.

City Attorney Lindskog stated that the right of first refusal is the best way, she stated that the courts would not approve the plat. She clarified that the right of first refusal continues as long as GreatLife has it.

Mayor Haines stated that he thought it ended after seven years.

City Attorney Lindskog stated that the formula ends after seven years, the right of first refusal continues but at market value after the seven years ends.

Commissioner Badwey stated that he thought we had all of the protection we could get under the current agreement.

City Attorney Lindskog stated that GreatLife and their lender do not want property that is encumbered by numerous provisions. She stated that these two provisions were an effort to meet them in the middle.

Commissioner Guthrie asked if the attorney felt the City was covered.

City Attorney Lindskog stated that she felt the City was covered as far as GreatLife was willing to go. She stated that she felt we would get push back from GreatLife if we ask for more.

City Attorney Lindskog stated that the property sale will not close until the plat is complete. She stated that the motion will give staff the authority to execute the agreement. She

stated that there is a simple lease allowing GreatLife to come in and manage up until the date of the approved plat and closing.

Commissioner Badwey asked if the plat primarily covered the bike path.

City Engineer Rickard stated that it includes infrastructure such as utilities and the bike path. He stated that the physical work of the survey is complete. He stated that it will be at the Planning Commission in February as a preliminary and final plat at the same meeting.

Commissioner Guthrie asked if there was anything in the platting that could jeopardize the deal.

City Engineer Rickard stated that it is just looking at boundaries and easements. He stated that some of the improvements were made after our purchase and so we didn't file those easements on ourselves. He stated that he felt it would not be an issue. He stated that the most difficult topic has been Country Club Lane which is not technically a public right of way but has served the public for a long time.

City Attorney Lindskog stated that the lease agreement isn't complete from GreatLife yet.

City Manager Dillner stated that they have to provide escrow funds and the lease agreement. He stated that the motion requires those items to be completed prior to the City Manager signing the agreement.

Commissioner Gregg Lewis asked what will happen to the employees.

City Manager Dillner stated that GreatLife has had discussions with all four full time employees. He stated that if they choose to stay with the City, we will absorb them or they can choose to leave and will be offered a severance package.

Commissioner Lewis asked about the golf cart fleet.

City Manager Dillner stated that we would add them to the list.

Commissioner Matt Guthrie moved to approve the GreatLife Golf Agreement and authorize the City Manager to execute it upon completion of all outstanding requirements and the addition of the golf carts to the equipment list.

Commissioner Nick Badwey seconded the motion.

Motion carried 5 – 0.

SETTING A PUBLIC HEARING FOR PROJECTS 421, 422, 436, 437, 443, 444, 513, 514, 523, AND 538

City Engineer Scott Rickard stated that as we approach the anticipated bond sale, we need to ensure that all of the projects to be included have been through the Commission process. He stated that the Commission needs to set the public hearings so that assessments can be spread. He stated that a letter will be sent to each property owner notifying them of the public hearing.

Mayor Vince Haines clarified that they would have been notified if the projects came in higher.

City Engineer Rickard stated that there would have been an agenda item prior to this one if any of the projects had been over the estimated amount.

Commissioner Nick Badwey moved to set the public hearing for 6:30 p.m. on January 22, 2019 to be held for the purpose of considering the proposed assessments of the cost of Project Numbers: 421, 422, 436, 437, 443, 444, 513, 514, 523, and 538, and further direct individual mailings to each owner liable for the special assessments.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

LEASE AGREEMENT WITH BUTLER RURAL ELECTRIC

City Manager David Dillner stated that the proposed lease agreement is for the south portion of the Civic Center previously leased by the Army Reserve. He stated that the lease will be through

City Manager Dillner stated that the lease payment is \$2,950 per month which will cover property taxes, insurance and maintenance. He stated that we are making some improvements to the property prior to their move, those expenses are embedded into the lease rate so that we can recoup our costs.

Mayor Vince Haines asked if a triple net lease was considered. He stated that he would like to confirm that we don't have to pay taxes.

Commissioner Matt Guthrie asked if there was any money that wasn't attributed to other costs.

City Manager Dillner stated that there would be some.

Commissioner Guthrie asked if it would go to CVB.

City Manager Dillner stated that it had not yet been decided.

Commissioner Gregg Lewis asked if the fenced area would be available to the public.

City Manager Dillner stated that it would not be open to the public anymore.

Commissioner Lewis asked if they intended to lease the area where the dirt was as well.

City Manager Dillner stated that he didn't know what their long term plans were.

Commissioner Nick Badwey moved approve the lease agreement contingent on modifications with Butler Rural Electric and direct the City Manager to sign the agreement.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

PROPOSED REAL ESTATE CONTRACT

City Manager David Dillner stated that the City in partnership with EL Dorado Inc. were approached to purchase the undeveloped lots in the Griller addition. He stated that the developer would like to apply for tax credits and so he stated that he would like to have some assurance that the property will be his prior to the application. He stated that we do not have an agreement yet, but the deal is contingent on the developer receiving those credits.

City Engineer Scott Rickard stated that the Director of the Kansas Housing Resources Corporation was in El Dorado not long ago and

City Engineer Rickard stated that he will have to re-plat the property because it is not buildable as it is currently platted, he stated that the developer will have to pay for utilities and infrastructure. He stated that this dollar amount will get the City close to the amount we are owed for the specials not paid when the property when to sheriff's sale.

Commissioner Matt Guthrie asked if it was a local developer.

City Manager Dillner stated that they are from Missouri.

Commissioner Guthrie asked if it was offered to local developers.

City Engineer Rickard stated that it has been on the website and we have had for sale signs up in the area.

Mayor Vince Haines clarified that this transaction would make the property whole.

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City Engineer Rickard stated that he thought they would have some specials from the 6th Avenue work. He stated that they will have to pay for new streets that will be built within the area.

Commissioner Gregg Lewis moved to approve the sale of the remaining lots in the Griller Addition and authorize the City Manager to execute the contract upon review by the City Attorney.

Commissioner Matt Guthrie seconded the motion.

Motion carried 5 – 0.

BID APPROVAL, PROJECT NO. 547 – CENTRAL FROM GORDY TO STAR

City Engineer Scott Rickard stated that staff are asking the Commission to consider a bid for repair of the street from Gordy to Star on Central and on Gordy. He stated that a main break lifted the entire area. He stated that the water main work will begin next week, he stated that it is an important main that feeds the west side of town. He stated that they will lay a line parallel to the existing line. He stated that there will be a period of disinfection testing and then they will tie in the meters to the new main. He stated that once that is complete, the old line will be torn out and the road will be torn out.

City Engineer Rickard stated that they discovered after repairing the line that the four inch line had been damaged by electrolysis, so it has to be replaced as well. He stated that it will be less intrusive and can be replaced with just a ditch being dug.

Mayor Vince Haines asked if it would just replace the two west bound lanes.

City Engineer Rickard stated that they will replace those two lanes and part of the turning lane with six inches of aggregate base and nine inches of asphalt. He stated that the cost of the water line will be paid from the water utility and the road with sales tax funds.

Mayor Haines asked if they will put in new water mains.

City Engineer Rickard stated that while looking at improvements to the storm sewer in the future, we will likely include new mains then.

Commissioner Nick Badwey commended staff for working all day on a holiday weekend to repair this problem.

Commissioner Matt Guthrie moved to approve the bid for Project #547 from Flint Hills Materials for \$144,459 and direct the City Manager to award the contract to said contractor providing that the company furnish the proper bonds.

Commissioner Nick Badwey seconded the motion.

Motion carried 5 – 0.

REPORTS

CITY COMMISSION

Mayor Vince Haines asked when the vice mayor would be appointed.

City Clerk Tabitha Sharp stated that it will either be on the next agenda or the one after, depending upon the advisory board appointments.

CITY MANAGER

City Manager David Dillner stated that the new bill format is out. He stated that this month's bill includes the newsletter and the citizen survey. He encouraged people to fill out the survey to be eligible for up to \$1,200 in free utilities.

City Manager Dillner stated that the State of the City will be on January 31st at 4 p.m. at the Civic Center.

EXECUTIVE SESSION

Commissioner Nick Badwey moved to recess into executive session pursuant to the non-elected personnel exception under K.S.A. 75-4319(b)(1) for the purposes of discussing the City Manager's annual evaluation and to reconvene the meeting at 8:05 p.m. in the City Commission Room.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

Mayor Vince Haines called the meeting back to order at 8:05 p.m.

Commissioner Nick Badwey moved to approve the employment contract with the City Manager and directed the Mayor to sign said contract.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

ADJOURNMENT

Commissioner Nick Badwey moved to adjourn the meeting at 8:06 p.m.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

City Clerk Tabitha D. Sharp

Mayor Vince Haines