

**EL DORADO CITY COMMISSION MEETING****FEBRUARY 6, 2006**

The El Dorado City Commission met in regular session on February 6, 2006, at 7:30 p.m. in the Commission Room with the following present: Mayor Brian D. Shepherd, Commissioner Michael A. Fagg, Commissioner Linda Clark, Commissioner Todd Peterson, Commissioner Steve Pershall, Interim City Manager Richard Chesney, City Attorney Michael Coash, Finance Director Dee Anne Grunder, Engineer Aide Scott Rickard. Absent: City Clerk Kendra Waite.

**VISITORS**

|                         |                               |                   |
|-------------------------|-------------------------------|-------------------|
| Kathryn Hollingsworth   | El Dorado Times               | El Dorado, Kansas |
| Keli Rice               | 1525 Park                     | El Dorado, Kansas |
| Neil Buckman            | 737 Harvard                   | El Dorado, Kansas |
| Donald Adlesperger      | 1285 S. Topeka                | El Dorado, Kansas |
| Pat Hicks               | 1147 S. Arthur                | El Dorado, Kansas |
| Kenny Fowler            | 335 N. Arthur                 | El Dorado, Kansas |
| Esther Ellis            | 208 S. Summit                 | El Dorado, Kansas |
| Iris Lawrence           | 805 Reveille Lane             | El Dorado, Kansas |
| Larry Adams             | 1756 W. Third                 | El Dorado, Kansas |
| Winton Hinkle           | Hinkle Elkouri Law Firm       | Wichita, Kansas   |
| Mike Ward               | 1816 Country Club             | El Dorado, Kansas |
| Lonnie Currier          | 1750 Ryan Ct.                 | El Dorado, Kansas |
| David Chapin            | 325 S. Emporia                | El Dorado, Kansas |
| Brian Andrews           | 2020 Danielle Ct.             | El Dorado, Kansas |
| Vince Haines            | 300 N. Star                   | El Dorado, Kansas |
| Harold Haskell          | 122 Residence                 | El Dorado, Kansas |
| Linda Jolly             | 2100 Pico Ct.                 | El Dorado, Kansas |
| Carl D. Andrews         | 1730 Cottonwood Dr.           | El Dorado, Kansas |
| Vic Butler              | 801 Fredrick Dr.              | El Dorado, Kansas |
| Audrey Kallenberger     | 527 Random Rd.                | El Dorado, Kansas |
| Kent Kallenberger       | 527 Random Rd.                | El Dorado, Kansas |
| Howard Shaft            | 224 W. 3 <sup>rd</sup> St.    | Douglas, Kansas   |
| Mark E. Beyer           | 10252 SW 40 <sup>th</sup> St. | El Dorado, Kansas |
| Jim Miller              | 345 Hunton Dr.                | El Dorado, Kansas |
| Jim Clennan             | 1845 Country Club             | El Dorado, Kansas |
| Gary L. Ball            | 817 W. 4 <sup>th</sup> Ave.   | El Dorado, Kansas |
| Shane Krause            | 830 W. 4 <sup>th</sup> Ave.   | El Dorado, Kansas |
| Linda Baines            | 253 Post Rd.                  | El Dorado, Kansas |
| Trisha Powell           | 889 Spires Rd.                | El Dorado, Kansas |
| Steve Seymour           | 450 Eunice                    | El Dorado, Kansas |
| Bruce Harris            | 4843 SW Country Ln.           | El Dorado, Kansas |
| Elizabeth Manion        | 800 N. Washington             | El Dorado, Kansas |
| Brian Clites            | 1305 Glenview Dr.             | El Dorado, Kansas |
| Ray Connell             | 2520 Chase                    | El Dorado, Kansas |
| Jerry Blount            | 131 Hillside                  | El Dorado, Kansas |
| Pat Doane               | 219 Warren Rd.                | El Dorado, Kansas |
| Jo Peterson             | 1830 Kendrick Ln.             | El Dorado, Kansas |
| Jim Stump               | 1230 Prairie View             | El Dorado, Kansas |
| Kirby Shearburn Busby   | 2100 W. Central               | El Dorado, Kansas |
| Wade & Sharon Wilkinson | 1016 S. Denver                | El Dorado, Kansas |
| Shura Rajesh            | 2515 W. Central               | El Dorado, Kansas |
| Doug Mackay             | Kutak Rock LLP                | Wichita, Kansas   |
| Verlee Adam             | 1426 Edgemoor Dr.             | El Dorado, Kansas |
| Vince Haines            | 300 N. Star                   | El Dorado, Kansas |
| Jim & Susie Edwards     | 914 Rimrock Rd.               | El Dorado, Kansas |
| Colin Rowell            | 1640 Cottenwood Dr.           | El Dorado, Kansas |
| Leonard & Nellie Smith  | 601 N. High                   | El Dorado, Kansas |
| Scribner, Suzanne       | 805 N. Gordy                  | El Dorado, Kansas |

**CALL TO ORDER**

Mayor Brian D. Shepherd called the February 6, 2006, City Commission meeting to order.

**INVOCATION**

Father Mike Nolan, St. John's Catholic Church, opened the meeting with prayer.

**PLEDGE OF ALLEGIANCE**

Ms. Kari Lee's Third Grade Class from Washington Elementary School led the Pledge of Allegiance.

**PERSONAL APPERANCE**

Jim Stump, Chairman Airport Advisory Board, stated that on February 3, 2006, he called a special Airport Advisory Board meeting in response to many issues being voiced by the community. Mr. Stump appeared on behalf of the Advisory Board to address Commissioner Peterson's previous comments about the airport hangars.

**PROCLAMATIONS**

Mayor Brian Shepherd read a proclamation to proclaim February 14, 2006, as Congenital Heart Defect Awareness Day.

**CONSENT AGENDA**

- a) Approval of the January 17, 2006, City Commission minutes.
- b) Approval of the January 24, 2006, Special City Commission minutes.
- c) Approval of the January 31, 2006, Special City Commission minutes.
- d) Approval of the January 24, 2006, Work Session minutes.
- e) (item removed from consent agenda)
- f) Approval of Appropriation Ordinance No. 01-06 in the amount of \$1,324,156.84.
- g) Approve the Engineer's First Pay Estimate dated January 27, 2006 on Project No. 276, Sanitary Sewer Cleaning & Inspection-Sewer flow into Eighth Avenue Lift Station to the Contractor, Mayer Specialty Services, LLC, in the amount of \$12,224.18.

Commissioner Clark moved that the Consent Agenda, excluding item (e), as presented, be approved.

Commissioner Pershall seconded the motion.

Motion carried 5-0.

**CONSENT AGENDA ITEM (e)**

Commissioner Linda Clark stated that she could not support item (e), since there was not a quorum for the Work Session after she left.

Commissioner Peterson moved that Consent Agenda Item (e), be approved.

Commissioner Fagg seconded the motion.

Motion carried 4-1 (Commissioner Clark opposed).

**AMENDING THE YOUTH COMMISSION BY-LAWS**

Mayor Brian Shepherd stated the Youth Commission was initiated in May 2002 and would like to make a change to the By-laws. The change requires the Youth Commissioner and his/her parent, if the Youth Commissioner is under the age of 18, to sign a Memorandum of Commitment. This requirement would be under Section 4, Responsibilities of Members.

Mr. Jim Gardner, Youth Commission Advisor, 2225 Gentry Lane, stated that this amendment formalizes the process in the by-laws.

Commissioner Pershall moved to amend the Youth Commission by-laws to include a Memorandum of Commitment.

Commissioner Fagg seconded the motion.

Motion carried 5-0.

**SALE OF LOT NO. 1 IN THE BUSINESS PARK**

Mayor Brian Shepherd stated that a company is interested in purchasing Lot No. 1, Block 1, in the Business Park from the City of El Dorado. The parcel is 2.51 acres; the total land area is 111,957 square feet (109,457 square feet usable). The proposed usage for the property is for a national franchise hotel.

Interim City Manager Richard Chesney stated that this is the first sale of a parcel in the Business Park. Mr. Chesney further stated that the City has negotiated with the proposed buyer and an attorney and recommends approval of the proposed agreement.

Linda Jolly, Executive Vice President of El Dorado Inc., stated that the cost – benefit analysis indicates the benefit of the project to the community. The report was prepared at 100% tax abatement for ten years and reflects a payback period of three years. Ms. Jolly further stated that the project will generate sales tax and bed tax revenue, and visitors will spend money in the community.

Commissioner Pershall questioned when the anticipated grand opening would be.

Wade Wilkinson stated that the ground breaking will be in July with the opening in the Spring of 2007.

Commissioner Michael Fagg stated he would like a provision that the tax abatements would be reviewed in the future, and if the business is profitable, the future abatements would be reconsidered.

Colin Rowell, Community National Bank President, stated that at this time, the bank could not commit to the loan without the ten-year tax abatement being approved.

**EL DORADO CITY COMMISSION MEETING  
PUBLIC HEARING**

**FEBRUARY 6, 2006**

Mayor Brian Shepherd opened the public hearing.

Suzanne Scribner, 805 N. Gordy, stated that the Super 8 Motel operated at 80% occupancy the past year, and the Heritage Inn operated at a 55% occupancy. Ms. Scribner further stated that the owner of the Super 8 Motel does not feel that the City supports them.

Shura Rajesh, Heritage Inn owner, stated that he does not have an objection to the new construction in the community; however, is opposed to the tax abatement.

Ray Connell, 2520 Chase Avenue, stated that his firm is the general counsel for a manufacturing company proposing to build in El Dorado, and one of their main concerns is the number of mid-tier and upper-tier hotels in the area.

Jim Stump, 1230 Prairie View, Vice-President of Frontier Refining and a board member of El Dorado Inc., stated that it is very difficult in El Dorado to support a large traveling workforce. Mr. Stump further stated that he feels Frontier could easily support more rooms.

Vince Haines, 300 North Star, President of El Dorado Inc., stated that the City Commission gave El Dorado Inc. the direction to fill the Business Park. Mr. Haines further stated that a hotel would be a great anchor for the Business Park.

Neil Buckman, 737 Harvard, stated that this is a good project and feels it is a great beginning for the Business Park.

Jim Miller, 345 Hunton Road, stated that he would like a shorter period for the tax abatements.

Mayor Shepherd closed the public hearing.

Commissioner Pershall moved to sell Lot 1, Block 1 of the Business Park, which is a 111,957 square foot parcel of City-owned land, as outlined in the Real Estate Purchase Agreement, and to authorize the Mayor to sign the Real Estate Purchase Agreement.

Commissioner Clark seconded the motion.

Motion carried 5-0.

**INTENT TO ISSUE INDUSTRIAL REVENUE BONDS – ECONOMIC DEVELOPMENT**

Mayor Shepherd stated a company is interested in constructing and operating a new transient lodging facility in the Business Park, and is requesting the City issue a Resolution of Intent to issue Taxable Industrial Revenue Bonds in an amount not to exceed \$3,500,000. The proceeds of the bonds would be used to finance the cost of the acquisition, construction and equipment of the hotel. The project location is Lot 1 of the Business Park located at Highway 254 and Exit 71 of the Turnpike.

According to a feasibility study prepared by Business Plans Etc. in September 2005, the total economic benefit of this hotel is estimated to be \$2.5 million per year. The facility will include 65 guestrooms, an indoor pool, guest laundry, fitness center, meeting room and business center. The facility will create approximately 10-15 new employment opportunities.

**RESOLUTION NO. 2530**

Commissioner Clark moved that Resolution No. 2530, a resolution indicating the intent of the Governing Body of the City of El Dorado, Kansas, to issue certain Industrial Revenue Bonds in an aggregate principal amount of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) for the purpose of acquiring, constructing, and equipping a new transient lodging facility located in the City of El Dorado, Kansas, with a ten year 100% tax abatement, be approved.

Commissioner Pershall seconded the motion.

Motion carried 5-0.

**PROJECT NO. 275 – SANITARY SEWER DISTRICT NO. 180 – LOT 3, EL DORADO PLAZA ADDITION**

Mayor Brian Shepherd stated the developer of Lot 3 in the El Dorado Plaza Addition has requested sewer service. The petition is based on an alignment from the northwest corner of Central Avenue and Haverhill Road, west approximately 280 feet, parallel to Central Avenue.

Engineer Aide Scott Rickard stated that the City has received a petition from the developer to extend the sewer service.

**RECEIVING THE PETITION**

City Clerk Kendra Waite reported to the Commission that the petition for the construction of sanitary sewers, signed by 100% of the owners, is sufficient for Project No. 275.

**RESOLUTION NO. 2531 AND ORDINANCE NO. S-1260**

Commissioner Fagg moved that that the Report of Sufficiency be accepted for Project No. 275, for Sanitary Sewer District No. 180, and that Resolution No. 2531, a Resolution of Finding As to Advisability and Resolution Authorizing Improvement Combined, be adopted, and move that Ordinance No. S-1260, an ordinance authorizing the construction of the sanitary sewer improvements for Project No. 275, and authorizing the issuance of bonds in the amount not to exceed \$65,000 in payment of the cost of said project, and providing for the issuance of temporary notes pending the issuance of such bond, be approved, and further move that the City Manager be instructed to take bids after plans, specifications and estimate of costs are prepared.

Commissioner Peterson seconded the motion.

**ROLL CALL**

|                |                             |     |
|----------------|-----------------------------|-----|
| Position No. 1 | Commissioner Todd Peterson  | Yes |
| Position No. 2 | Commissioner Linda Clark    | Yes |
| Position No. 3 | Commissioner Steve Pershall | Yes |
| Position No. 4 | Commissioner Michael Fagg   | Yes |
|                | Mayor Brian Shepherd        | Yes |

**SEWER RATE INCREASE**

Mayor Brian Shepherd stated that the construction of a new wastewater treatment plant began in November 2005, and the projected completion date is March 2007. The sewer rates need to be adjusted to have adequate funds to repay the KDHE loan and related costs that are not allowable under the loan. The proposed increase is the final step in the process to set the rates at the required level and will be effective on the March 2006 utility bills.

Finance Director Dee Anne Grunder stated that this is the fourth and final rate increase to repay the KDHE loan for the construction of a new wastewater treatment plant. Ms. Grunder further stated the readiness-to-serve charge will increase from \$4.00 to \$6.50, and the user charge will increase from \$1.56 to \$2.32, effective on the March water bills, if approved.

**ORDINANCE NO. G-977**

Commissioner Pershall moved that Ordinance No. G-977, an ordinance amending the El Dorado Municipal Code Section 13.20.040(C) relating to rates charged for users of the City Wastewater Collection System, be approved.

Commissioner Clark seconded the motion.

**ROLL CALL**

|                |                             |     |
|----------------|-----------------------------|-----|
| Position No. 1 | Commissioner Todd Peterson  | Yes |
| Position No. 2 | Commissioner Linda Clark    | Yes |
| Position No. 3 | Commissioner Steve Pershall | Yes |
| Position No. 4 | Commissioner Michael Fagg   | Yes |
|                | Mayor Brian Shepherd        | Yes |

**WATER RATE INCREASE**

Mayor Brian Shepherd stated that the agreement between the City of El Dorado and the Corps, dated 1989, provides for the water rights (22 million gallons per day) from the El Dorado Reservoir. There is a debt associated with the acquisition of the water storage. As additional water is used, then the City must start paying a portion of the debt associated with the supply. Currently, the City is paying for the rights of 11 million gallons per day. An increase to the existing water rate structure is necessary in order to fund the debt associated with the 11 million gallons per day, and to provide additional funds needed to make annual investments for repayment of the balance of the debt in 2081.

The rate increase in the rate structure will be effective on the March 2006 water billings. The actual increase per account will vary based on usage.

Finance Director Dee Anne Grunder stated that the 0-1500 cubic feet rate tier will remain the same at \$1.39 per 100 cubic feet, 1,500 to 30,000 cubic feet will increase to \$1.22 per 100 cubic feet, and over 30,000 cubic feet will increase to \$1.11 per 100 cubic feet. Ms. Grunder further stated staff is also proposing an increase to the readiness-to-serve charges. The staff has adjusted the monthly charge for the small meter to equal the one-inch meter at \$6.90 per month. The fees for larger meters have been increased proportionately based on the water capacity each size meter can handle in comparison to the one-inch meter.

**ORDINANCE NO. G-978**

Commissioner Clark moved that Ordinance No. G-978, an ordinance partially amending the El Dorado Municipal Code Section 13.08.010 relating to water service rates, be approved.

Commissioner Pershall seconded the motion.

**ROLL CALL**

|                |                             |     |
|----------------|-----------------------------|-----|
| Position No. 1 | Commissioner Todd Peterson  | Yes |
| Position No. 2 | Commissioner Linda Clark    | Yes |
| Position No. 3 | Commissioner Steve Pershall | Yes |
| Position No. 4 | Commissioner Michael Fagg   | Yes |
|                | Mayor Brian Shepherd        | Yes |

**PROCUREMENT POLICY**

Mayor Brian Shepherd stated that the Commission has requested policies be in written form. Staff has drafted a procurement policy for the Commission’s review. This policy outlines competitive bidding procedures, requests for proposals, contracts, evaluation procedures, and sole source provider criteria.

Commissioner Linda Clark stated she feels the Commission should table the motion until the new City Manager can provide input.

Commissioner Pershall moved to adopt the Procurement Policy, as written.

Commissioner Peterson seconded the motion.

Motion carried 4-1 (Commissioner Clark opposed).

**AMEND AUTHORIZATION OF PROJECT NO. 254 – NORTH MAIN BRIDGE WIDENING**

Mayor Brian Shepherd stated that this project was authorized by Ordinance No. S-1229 on February 21, 2005, in an amount not to exceed \$2,547,000. A survey of the right-of-way requirements of the Sixth and Main intersection is necessary and was not included in the original project.

Interim City Manager Richard Chesney stated that the intersection of Sixth and Main is in need of improvement, and the City is applying for a Geometric Improvement Grant to assist with the cost. Mr. Chesney further stated realignment of the intersection is needed.

**ORDINANCE NO. S-1261**

Commissioner Peterson moved that Ordinance No. S-1261, an ordinance to amend Ordinance No. S-1229, authorizing the issuance of bonds in the amount not to exceed \$2,582,000 in payment of the cost of said Project No. 254-North Main Bridge Widening, and to include the survey of the right-of-way needs of Sixth Avenue at Main Street.

Commissioner Pershall seconded the motion.

**ROLL CALL**

|                |                             |     |
|----------------|-----------------------------|-----|
| Position No. 1 | Commissioner Todd Peterson  | Yes |
| Position No. 2 | Commissioner Linda Clark    | Yes |
| Position No. 3 | Commissioner Steve Pershall | Yes |
| Position No. 4 | Commissioner Michael Fagg   | Yes |
|                | Mayor Brian Shepherd        | Yes |

**PUBLIC COMMENTS**

Mayor Brian Shepherd opened the floor for public comments.

Ray Connell, 2520 Chase Avenue, stated that he was concerned with the Mayor's comments that he would do it again in reference to firing the City Manager. Mr. Connell further stated that the lawsuit that has been filed will become the burden of the taxpayers.

Doug Mackay, Kutak Rock LLP, stated that he represents the City in the lawsuit that has been filed by Mr. Collins. Mr. Mackay stated that he agrees the taxpayers could end up paying money if Mr. Collins wins his case. Mr. Mackay further stated that the policy of the City is that personnel issues are confidential.

Verlee Adam, 1426 Edgemoor, stated that she spoke with the person who wrote the letter that was published in the El Dorado Times regarding the Ashland Airport. He stated that he did not authorize it to be published. Ms. Adam also noted other information she had been told when she called various people in Ashland.

Larry Adams, 1756 West Third, stated that he feels the \$3.5 million Industrial Revenue Bonds that were approved should have been given more consideration.

Jerry Blount, 131 Hillside, thanked the City Commission for approving the new Procurement Policy.

Pat Doane, 219 Warren Road, stated that he has had citizens approach him on why the taxpayers are paying his rent on his airplane hangar.

Jo Peterson, 1830 Kendrick Lane, clarified the statement regarding the rent on the airport hangars.

Dave Chapin, 325 South Emporia, stated that Commissioner Peterson misquoted him, and that the integrity of the Commissioners is important. Mr. Chapin further stated that El Dorado should be proud of the airport.

Pat Doane, 219 Warren Road, questioned Commissioner Peterson's agenda related to the airport.

Commissioner Peterson stated that his only agenda was the taxpayers.

Brian Andrews, 2020 Danielle Court, stated that the Commission should vote on the quorum issue. Mr. Andrews further stated that if two Commissioners are recalled, the remaining Commissioners must be able to conduct business.

City Attorney Michael Coash stated that City Ordinance and State law states the positions would be filled by the remaining Commissioners, so the quorum does not need to change.

Brian Andrews, 2020 Danielle Court, read a prepared statement about the appointment of new Commissioners, stating that in the event Commissioners are recalled the new Commissioners should look ahead and improve the community.

Pat Hicks, 1147 South Arthur, stated that the taxpayers realize the airport is needed. Ms. Hicks further stated that if someone can afford an airplane, then they can afford a hangar without it being subsidized by the taxpayers.

Jim Miller, 345 Hunton Drive, stated that he appreciates the work of the current City Commission.

Mayor Shepherd stated, in the event of recall, he would like people appointed who did not sign the recall or grand jury petitions.

Larry Adams, 1756 West Third, stated that in his opinion the Commission did what they had to do at the time, and he appreciates the work the Commission does.

Ray Connell, 2520 Chase Avenue, stated that the City Commission should utilize the City Attorney Michael Coash as counsel in the future.

Jim Stump, 1230 Prairie View, stated that he will resign his position on the airport board if Commissioner Peterson remains on the Commission and continues his influence of airport issues.

Mary McCoy, 336 Simpson Road, stated that the opposition needs to show respect when they approach the Commission bench. Ms. McCoy further stated that everyone needs to reunite as a community in order to have unity.

Kirby Shearburn Busby, 2100 West Central, stated that she feels the community needs to concentrate on the children of the community. Ms. Busby further stated that the floors of the skating rink were destroyed by the flood, and repairs are necessary to stay in business. A fundraiser meeting will be held February 11, 2006, at 11:00 a.m., and the public is invited.

Mayor shepherd closed the public comments session.

### **COMMISSION COMMENTS**

Mayor Brian Shepherd asked for comments or reports from the Commission.

Commissioner Linda Clark commended the employees of the Wastewater Treatment Plant for the excellent State inspection they received. Ms. Clark requested in the future that all Commission meeting attendees turn off their cell phones during the meeting.

Commissioner Peterson stated that he feels the taxpayers' interests should be looked out for, and the needs of the many outweigh the needs of the few. Mr. Peterson further stated he wanted to thank Ms. Adam for calling Ashland in regards to the letter published in the El Dorado Times.

Mayor Shepherd thanked the citizens for giving him the opportunity to serve the city. Mr. Shepherd further stated he wanted the citizens to get out and vote.

**INTERIM CITY MANAGER'S REPORT**

Interim City Manager Richard Chesney stated that he wanted to compliment Kurt Bookout and the members of the department of the Wastewater Treatment Plant on a job well done. The State reported no deficiencies.

**AJOURNMENT**

Commissioner Peterson moved to adjourn the meeting at 11:02 p.m.

Commissioner Pershall seconded the motion.

Motion carried 5-0.

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City Clerk Kendra Waite

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Mayor Brian D. Shepherd

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Mayor Brian D. Shepherd