

MINUTES OF July 21, 2008

The council of the City of Burlingame, Kansas met in regular session in the council chamber at city hall at 7:00 p.m., July 21, 2008.

Presiding: Mayor Dorr

Present: Council members: Bloomquist, Fry, Strohm, Swander, DeMars

Present also: City Administrator Hutfles, City Attorney Godderz, City Clerk Patti Gilbert, Police Chief Jon Shaffer, Utility Foreman Gerry Grandstaff

Citizens present: Teri Swander, Gay Freidli (entered @ 7:35), Lavene with Bartlett & West Engineering

Approval of the agenda was given after City Administrator Hutfles requested the sewer situation at the Zielinski's residence as item 12a and Mayor Dorr removing item 12 Professional Services from the agenda. A request from Michael Peroo to have item 11 be moved to 7a due to time constraints. Motion to accept given by Fry with a second from DeMars. Ayes 5/ Nays 0

No citizens comments.

Approval of the minutes for the regular meeting of July 7th as presented by DeMars and second by Swander. Ayes 5/ Nays 0

June 2008 Financial Statement review included Mr. Hutfles stating the gas department financials look lower due to two bills being paid in one month. The operating ratios are still looking good, however Mr. Hutfles concern is the checking account is getting a bit "squeezed", explaining some of the expenditures such as gas and electric have risen this year. Adding he is watching it very close and hopefully with the allotted revenue the city can keep spending down over the summer months. Ms. DeMars asked under the general government when will they see what the pool has taken in on concessions. Mr. Hutfles said he can pull a receipt listing showing the council the amount. Mayor Dorr asked Mr. Hutfles if the cash in the bank gets low what did he intend to do. Mr. Hutfles in order to cover some of the bills is to cash out some of the CD's until the end of the year and then replace them. Ms. DeMars questioned if this is something that is done every year. Administrator Hutfles responded under better conditions no, but with the present economy we are paying more for purchases. Ms. DeMars confirmed with the administrator part of it is from the pre-purchase of natural gas for the winter months. Motion to approve the financial statement as is by DeMars with a second from Swander. Ayes 5/ Nays 0

Claims Ordinance 2133, 2133a and 2133 WP was discussed with Mrs. DeMars asking about the drug testing charges verifying it was for the personnel at the pool. Mrs. Dorr questioned the reimbursement on the windshield cost, with Ms. Gilbert informing council it was restitution that was paid through a court case from 2006. Mayor Dorr

asked about the purchase of a bolt cutter for animal control and wouldn't one of the other departments have that. Police Chief Shaffer stated it is a possibility but animal control didn't have access to the area to get one. Mayor Dorr also asked about an additional purchase of a sprayer, Mr. Grandstaff stated there are 3 now 2 that work and 1 doesn't. Mayor Dorr also verified the 2 deck pullies for the pool, with a question on the purchase of a cooler for the gas department. Mr. Grandstaff stated outside staff did not have a water cooler to drink from when they are working in the present heat. Motion to accept all warrant ordinances as presented by DeMars and a second from Swander. Ayes 5/ Nays 0

Discussion over speaker-phone with Mike Peroo over Osage City Water Rate Analysis began with Mr. Peroo explaining started with the June 25th letter the council had received and with wholesale rates there are three things that have to happen. One is, the agreement, is it in agreement with the rate changes, stating the city has already have it looked at. Two, numbers that are inside is something to look at, the city is being supplied certified audit reports doesn't mean a thing, only showing on the city as a whole instead of looking at it in the production cost for the water. That is the critical piece to which the city should be looking at. Three, the contract was written 20 years ago, does the contract as a whole need to be addressed? Those are the 3 pieces that when rates change to a wholesale customer need to be investigated. Mr. Peroo stated to the Council he is working with Rural Water #7 to look at the production costs and if they are in line with the water rate increase. Stating the labor has shown to double from what the Bureau of Labor statistics for that time period, that tells him there are other items included in production costs that probably need to be addressed. Questions from the Council consisted of Ms. DeMars asking what the cost will be to looked into this, Mr. Peroo started no more than a couple thousand dollars, he already had numbers he only had to adjust them to the city's demand, so the cost would be \$1000.00 or so. Mr. Peroo stated if it came to sitting down with Osage City and discussing this the charge would be more. Ms. DeMars then asked was it a considerable amount of money he had saved past customers, Mr. Peroo stated around \$20,000.00 per year and usually the contracts are for a 20 year period. Ms. DeMars asked him if he felt the city had a reason, with Mr. Peroo responding with theoretically looking at past data when you look at the physical data, what has changed so drastically within the city that it's created their costs to be above normal. Adding they (Osage City) is running 2-3 times higher than the averages. What numbers and transactions have they recorded that makes them that much higher. You look at their general ledger, payroll side, get an understanding of what they are doing within the city is that something is providing a benefit to the City of Burlingame, have they added employees that wouldn't benefit Burlingame but yet the City of Osage. Ms. DeMars stated what he had presented made sense, Mr. Huffles stated their rate matches their contract, Mr. Fry added he would is curious related they have increased dramatically and they started out cheaper than anyone. Motion to hire Mike Peroo for \$1,000.00 by DeMars and second by Swander. Ayes 5/ Nays 0

Mayor Dorr asked citizens who entered during the conversation with Mike Peroo if they needed to speak to the council. Gay Freidli stated there should be an

investigation on one of the city's police officers regarding an arrest that was done the previous Saturday night. Mr. Godderz advised the Mayor to have an investigation with the results being reported to the Council. Mayor Dorr stated to Mrs. Freidli there will be an investigation and thanked her for addressing the council.

A presentation by Lavene representing Bartlett & West started by having all council members view the final tally of bids for Water Project II. Noting to Council to expedite the project requested by Rural Development, taking bids prior to tonight to come up with a more firm number to assure fund availability. Stressing the importance of getting the price locked down. Explaining the different bids and answer questions regarding price adjustments on the Phase I project and the reasoning for it. Rural Development's recommendation if the city had addition items to add to the water project. Utility Foreman and Administrator Hutfles recommended the addition of telemetry on the clear well and a chlorinator at the tower be installed. Mayor Dorr asked if it was "set in stone" as listed, Bartlett & West's response was this is as bid and your action tonight if you choose to do so will be to indicate the acceptance of the low bid. Mr. Fry verified the unit price is set so if more material is needed the price is the same. Mayor Dorr questioned fire hydrants distance and the requirements of the footage. Discussion over the areas the hydrants will cover and the unusual footage of the city's lots. Ms. DeMars verified the prices will be good for the duration of the project. Lavene advised the council they needed to award the bid contingent on Rural Development approval. Mr. Bloomquist stated through the years the worst thing you could do is take the low bid and wanted to know about the lowest bid. Discussion over checking references and steps to insure it would be in the best interest of the city. Motion to accept J & H's Bid for Phase II Project made by Bloomquist and second by DeMars. Ayes 5/ Nays 0

The discussion over the town meeting rules were varied, no motion was needed for this item. However the consensus was the public needed to be heard.

Ordinance 2132 started by Mr. Hutfles stating the new rate reflects the raise in water rates we are now paying to Osage City. Discussion over the possible future raises to cover the water project continued. Ms. DeMars stated the city should only look at what is needed at the moment. Motion to accept Ordinance 2132 raising the current water rates by 12 cents given by DeMars and second by Swander. Ayes 5/ Nays 0

The issue of the sewer line and the Zielinski residence was presented with by Mr. Hutfles and Utility Foreman Grandstaff informing council of the sewer line problem with matter that impeded the flow of sewer in that section of town. The home owner didn't have a back flow prevention installed on the sewer line, resulting in gray matter entering her home through all sewer lines. Mr. Hutfles stated he had taken steps on starting the clean-up for the resident and has started speaking with the insurance company. Discussion over the assistance the city can give to the home owner continued, with solutions to the sewer problem in that area of town. Motion on this issue was not needed until all information is obtained.

Motion to move into executive session for 15 minutes regarding non-elected personnel with City Administrator Hutfles and City Clerk Gilbert in attendance was given by DeMars and second by Swander. Ayes 4/ Nays 1 Bloomquist

Council entered into executive session 8:23 pm.

Council returned to open session at 8:38 pm.

Mayor Dorr stated no action taken in executive session.

Motion to move into executive session for 10 minutes regarding non-elected personnel with City Administrator Hutfles in attendance was given by Fry and second by DeMars . Ayes 4/ Nays 1 Bloomquist

Council entered into executive session 8:39 pm.

Council returned to open session at 8:49 pm.

Mayor Dorr stated no action taken in executive session

Motion to raise City Clerk Gilbert's hourly wage by .28 and Clerk Summer's hourly wage by .22 effective next pay period given by Bloomquist second by Swander. Ayes 5/ Nays 0

Reports from City Administrator Hutfles stated Burlingame Concrete returned and fixed the cracks in the repairs at the pool due to settling. Date for a budget workshop was talked about and it was agreed upon Saturday, August 2, 2008 at 2 pm. Oxy Petroleum is intervening the Westar rate increase. They are going for a full hearing and could take up to 2 years to settle, since the city had signed the bridge agreement we will be grandfathered in on our old prices. City Clerk Gilbert reported Steven Connelly is almost complete with the 2007 audit, summer energy adjustments will be added to the next bill. Chief Shaffer stated the National Night Out is August 5, 2008 and asked the council if they would authorize free admission to the pool that day. Motion made by DeMars and second by Swander for free admission that day. Ayes 5/ Nays 0

Mr. Shaffer stated a meeting on Thursday in his office if anyone wanted to attend or planned on helping. Mayor Dorr asked if mowing of the yards had been taken care of, with Chief Shaffer giving her an update on different properties. Discussion over police procedures went on with a question and answer session. Mrs. Dorr reported the bridge down at the park looked a lot nicer since it is being painted.

Motion to adjourn was given by Swander with a second by DeMars. Ayes 5/ Nays 0

City Clerk

