EL DORADO CITY COMMISSION – REGULAR MEETING AGENDA
CITY HALL – 220 E. FIRST AVENUE
July 2, 2018 – 6:30 PM

1. **Call to Order**
2. **Roll Call**
3. **Invocation –**
4. **Pledge of Allegiance**

Proclamations and Recognition

5. None

Personal Appearances. Personal appearances are opportunities for organizations or citizens to make special presentations before the City Commission. Such appearances are scheduled in advance of the meeting by calling City Clerk Tabitha Sharp at (316) 321-9100 by 5:00 pm the Tuesday preceding the meeting. Presentations are limited to ten minutes. Any presentation is for information purposes only; no action will be taken.

6. None.

7. **Public Comments.** Persons who wish to address the City Commission regarding items not on the agenda and that are under the jurisdiction of the City Commission may do so when called upon the Mayor. Comments on personnel matters and matters pending in court are not permitted. Speakers are limited to three minutes. Any presentation is for information purposes only; no action will be taken.

Consent Agenda *(Consent agenda items will be acted on by one motion unless a majority of the City Commission votes to remove an item for discussion and separate action.)*

8. City Commission Minutes for June 4 and 18, 2018.

Old Business

9. None

New Business

10. Prepayment of Lake Debt Stages 2 and 3

11. City Flag

Reports

12. City Commission and Advisory Board Updates

13. City Manager

Executive Session

14. None.

Adjournment

15. Consideration of a motion to adjourn the July 2, 2018 regular meeting

PUBLIC COMMENT POLICY:

Citizens are encouraged to address the City Commission during regularly scheduled meetings. This policy is intended to provide some guidelines to ensure that all El Dorado citizens have a chance to address the Commission.

1. Each citizen will state their name and address before making comments.
2. There are no residency requirements.
3. Each citizen will have 3 minutes to present his or her comments.
4. An extension of time, if necessary, may be approved but must be by a majority of the City Commission.
5. Comments or questions will be directed only to the City Commission.
6. Citizens will follow the decorum policy.
7. Debate or argument between parties in the audience will not be allowed.
8. Certain legal issues may not be discussed. (Examples include but are not limited to personnel issues, lawsuits, etc.)
9. Violation of this public comment policy will result in the citizen being directed to cease or resume sitting.

   Approved by the Commission this 2nd day of May 2005.

The Mayor opened the floor for Public Comments.

EL DORADO CITY COMMISSION MEETING **June 4, 2018**

The El Dorado City Commission met in a regular session on June 4, 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 and City Manager David Dillner, City Engineer Scott Rickard and City Clerk Tabitha Sharp. Absent: City Attorney Ashlyn Lindskog

VISITORS

Karen Linn	Berberich Trahan	Topeka, KS
John Giffin	Butler County Times Gazette	El Dorado, KS
Carolyn Dwyre	700 N Washington	El Dorado, KS
Mitch Walters	Gilmore and Bell	Wichita, KS

CALL TO ORDER

Mayor Vince Haines called the June 4, 2018 meeting to order.

INVOCATION

Reverend 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.

None.

CONSENT AGENDA

Approval of the City Commission Minutes from May 7, 2018 and the Special City Commission Meeting Minutes from May 16 and 30, 2018.

Approval of delicensing Prairie Trails June 15th from 5:30 p.m. to 9:30 p.m. and June 16th from 9 a.m. to 10:30 p.m.

Approval of Advisory Board Appointments for the CTC: Jean Plummer and Gavin Shank for a term of 2018 to December 31, 2019.

Commissioner Gregg Lewis moved to approve the consent agenda as presented.

Commissioner Nick Badwey seconded the motion.

Motion carried 5 – 0.

PRESENTATION OF 2017 AUDIT

Karen Linn of Berberich Trahan and Co. P.A., presented the findings from the 2017 audit. She stated that they were able to issue unmodified opinions which means that the audit was free of financial misstatements. She stated that there was one significant finding in regards to the adjusting journal entries.

Ms. Linn thanked city staff for their work, she stated that the audit is a year-long process and staff do a lot of work to ensure that everything goes smoothly.

Mayor Vince Haines asked what a significant deficiency was.

Ms. Linn stated that internal controls are evaluated during the audit, a significant deficiency is the second level in an audit. She stated that this one was due to the number adjusting journal entries that they had to do because of the financial system.

Mayor Haines clarified that it was nothing to be alarmed of.

Ms. Linn stated that there was not. She stated that she would be much more alarmed if the deficiency was in the segregation of duties.

Commissioner Matt Guthrie clarified that they found something that should have been identified through the year, and had to make a correction.

Ms. Linn stated that he was correct.

Mayor Haines asked Ms. Linn to explain a passed adjustment.

Ms. Linn stated that it is an adjustment that is not material to the financial statements. They are small enough or have so little impact that they don’t have an effect on the financial statements. The auditors accumulate them at the end to determine whether or not they become significant when added together. The City of El Dorado’s did not become significant.

Mayor Haines asked when the final product would be ready.

Ms. Linn stated that she anticipated it would be ready sometime in the next week.

PROJECTS NO. 504 AND 534, 6TH AVENUE SIDEWALKS AND MCCOLLUM ROAD BIKE PATH BID APPROVAL

City Engineer Scott Rickard stated that project 504 is the construction of sidewalks on 6th Avenue from Star to Orchard and project 534 is the bike path to the north of McCollum Road. He stated that the City received two bids, one from SPS and one from another company. He stated that the other companies were reluctant because of the August 1st deadline. He stated that SPS was the lowest and best bid on both projects at $97,912.50 and $66,365 respectively.

Mayor Haines confirmed that both projects came in at significantly less than the Engineer's Estimate.

Mr. Rickard stated that they did. He stated that there could be some miscellaneous costs through the project.

Commissioner Matt Guthrie asked if staff discussed the fact that the other bid came in significantly lower.

Mr. Rickard stated that they did.

Commissioner Guthrie confirmed that SPS is confident in their number.

Mr. Rickard stated that if other companies would have submitted, they would have been closer to SPS's number.

Commissioner Nick Badwey moved that since SPS has submitted the lowest and best bid of $97,912.50 for project no. 504, the City Manager be directed to award the contract to said contractor providing that the company furnish the proper bonds.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

Commissioner Nick Badwey moved that since SPS has submitted the lowest and best bid of $66,365 for project no. 534, the City Manager be directed to award the contract to said contractor providing that the company furnish the proper bonds.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

PROJECT NO. 491 – PAVING GRIFFITH

City Engineer Scott Rickard stated that the paving of Griffith has been completed. Total costs for the project were $773,377.53, the improvement district was responsible for $433,782.11 and city-at-large costs are $339,595.42.

Mayor Vince Haines confirmed that the city-at-large costs were high because of city-owned property.

Mr. Rickard stated that he was correct, we own both northern corners of Locust and Griffith, the Squires building, the millings pile lot and the Civic Center.

Commissioner Matt Guthrie asked for the costs on the city properties.

Mr. Rickard stated that he would have definite costs at the public hearing.

Commissioner Guthrie asked who initiated this project.

Mr. Rickard stated that it came up in discussion with the owner of Sunny Stop, but then due to the amount of city-owned property, the City Commission initiated it.

Commissioner Matt Guthrie moved to set the public hearing for 6:30 p.m. on June 18, 2018 to be held for the purpose of considering the proposed assessments of the cost of Project No. 491, and further direct individual mailings to each owner liable for the special assessments.

Commissioner Gregg Lewis seconded the motion.

Motion carried 5 – 0.

<u>BIKE LANE/NO PARKING ZONE ON COUNTRY CLUB ROAD</u>

City Engineer Scott Rickard stated that staff are proposing a no parking zone on Country Club Road from 12th to Skyview. He stated that a white lane would be marked along with bike symbols and no parking signs. He stated that from Skyview to McCollum, a bike symbol along with chevrons would be marked on the pavement, and temporary parking would be allowed as it is today.

Mayor Vince Haines asked what the width of the lane would be.

Mr. Rickard stated that it would be eight feet from the curb.

Mayor Haines asked how much of the street would be left.

Mr. Rickard stated that the road is currently forty feet wide.

Commissioner Matt Guthrie asked if there would be a dividing line between vehicle lanes.

Mr. Rickard stated that the warrants for those require more vehicle traffic. He stated that staff review them annually to determine if the need has increased.

Mayor Haines asked if thirty-two feet was enough to accommodate parking on the other side of the street.

Mr. Rickard stated that it was.

Commissioner Guthrie asked if they would put a light in at that intersection.

Mr. Rickard stated that he would not, it will be governed by stop sign.

Mr. Rickard stated that in the past there was hesitation about the no parking zones in that area and so we are starting with the share the road signs. He stated that they will investigate again soon to determine if no parking signs are necessary.

Commissioner Kendra Wilkinson asked if the city planned to connect Country Club to Wildcat Way.

Mr. Rickard stated that it would need to be spurred by development, the costs to do that project would be approximately $3 million due to the need for a bridge over the drainage area.

Mayor Haines asked what the trigger points to discuss a signal at McCollum and Main would be.

Mr. Rickard stated that staff are looking at options that would be in place of a signal, KDOT is coming down soon to discuss it. He stated that they are considering medians that would allow left turns or an acceleration lane so that traffic would not be impeded.

Commissioner Nick Badwey asked if it would be a roundabout.

Mr. Rickard stated that if the trafficway is ever considered, a roundabout has been considered. He stated that there will be another traffic study after school begins in the fall.

Commissioner Matt Guthrie moved that Resolution No. 2861 a resolution pertaining to no parking signs, be approved and instruct staff to move forward with a bike lane on the east side of Country Club Rd. from 12th Ave. to McCollum Rd.

Commissioner Nick Badwey seconded the motion.

Motion carried 5 – 0.

ACCEPTANCE FOR CONSIDERATION OF THE SALES TAX COMMITTEE RECOMMENDATIONS

Mayor Vince Haines stated that this item is to accept for consideration the recommendation of the sales tax committee. He stated that they will accept the recommendations and consider them during the budget process.

City Manager David Dillner stated that staff will put them in the budget to be approved, and so the Commission needs to discuss the projects at some point in order to change one of them.

Commissioner Nick Badwey asked if it would take three votes to discuss it again.

City Manager Dillner stated that they can bring it up at any future meeting, it will not require three votes to discuss.

Commissioner Kendra Wilkinson moved to accept for consideration the recommendations of the Excess Sales Tax Committee.

Commissioner Matt Guthrie seconded the motion.

Motion carried 5 – 0.

REPORTS

CITY COMMISSION

Commissioner Nick Badwey stated that the truck route sign is missing on south Haverhill.

Commissioner Gregg Lewis stated that this is the sign he had pointed out that had falled down.

City Manager David Dillner stated that he would check on the progress of the new sign.

Commissioner Badwey asked if staff were still mowing the Oil Museum property.

City Manager Dillner stated that they were.

Commissioner Badwey asked if that was going to stop.

City Manager Dillner stated that he needed a motion from the Commission.

Commissioner Matt Guthrie stated that he thought they were still discussing it.

City Manager Dillner stated that the discussions have stalled because the Oil Museum does not have a director.

Commissioner Badwey stated that he does not intend to pick on the Oil Museum, but people understand that we don't have money to spray mosquitos, but we are still mowing another entity's property. He did not see how it could be justified at 16 man hours each time we go.

Commissioner Guthrie stated that we can take care of the area outside of the fence for now, but they need to do the rest.

Commissioner Badwey stated that we mow the right of way there anyways, so he was okay with that.

City Engineer Scott Rickard stated that we mow it because we mow inside of the fence.

Mayor Vince Haines stated that he would like to direct staff to go back and talk to them before stopping. He stated that he would like to talk about it and come back with another solution. He stated that he understood that we had Correctional Facility labor helping, which takes at least one employee from the city to monitor and the equipment. He asked if we still had them.

City Manager Dillner stated that we do not use them currently because we have not had time to complete the training.

Mayor Haines stated that it could be the catalyst to stop mowing and maybe go back later.

Commissioner Badwey stated that they could have that conversation about the mowing when we have inmates again, but until then we need to stop.

Commissioners Gregg Lewis and Kendra Wilkinson agreed that they should stop mowing it.

Commissioner Guthrie stated that the Parks and Recreation Board discussed the YMCA plan and there were some very strong feelings, he thought they would be in attendance at the forum.

Commissioner Guthrie asked if staff had discussed the AT&T box yet.

Mr. Rickard stated that he believed that the project was on their list.

Commissioner Guthrie asked if staff could investigate the water on Troon North.

Commissioner Guthrie asked if someone could briefly review fence regulations.

Mr. Rickard stated that a fence requires a permit. He stated that staff review regulations when the individual applies for that permit. He stated that anything behind the front of the home can be up to six feet and be made of anything. He stated that front yard fences must be 50% opaque and decorative in nature. He stated that they can be no more than four feet tall. He stated that any fence outside of these dimensions would need to have an SUP.

Commissioner Lewis asked when Marmaton is going to begin.

Mr. Rickard stated that the bid is tentatively scheduled for the last week in July. He stated that they are hoping to do it at the same time as the improvements to Rocky Road and Oil Hill.

City Manager Dillner stated that staff did patch Marmaton in a few places.

Mayor Haines stated that the Project Wichita group has finished their focus groups and are now moving towards an online survey.

CITY MANAGER

City Manager David Dillner stated that on June 10th the 60th Anniversary of the 1958 tornado will be honored by setting off the outdoor warning sirens at 5:45 p.m. He stated that there is also going to be a memorial at Graham Park hosted by the Rotary Club.

City manager Dillner stated that the sales tax task force began their work and is reviewing items to present to the City Commission.

City Manager Dillner stated that Governor Colyer submitted census tracts to the U.S. Department of Treasury, El Dorado has one opportunity zone designation, and there are some incentives in that area that will be available to investors. The designation will last for ten years.

Mayor Vince Haines stated that the tract is downtown, so it will be exciting to try and attract investors there with this new benefit.

City Manager Dillner stated that the city flag contest has been narrowed down to three options. There are three options available, at the Coutt's, calling city hall or filling out a form online.

Commissioner Guthrie asked what the finalists were.

City Manager Dillner stated that he couldn't describe them very well, but he would send them to the Commission.

City Manager Dillner stated that the YMCA proposal will be discussed at a public forum on June 20th at 5:30 p.m. at the Train Depot.

Mayor Haines stated that this Saturday is Symphony in the Flinthills in Rosalia.

EXECUTIVE SESSION

Executive Session was not held because the City Attorney was unable to attend.

ADJOURNMENT

Commissioner Nick Badwey moved to adjourn the meeting at 7:38 p.m.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

City Clerk Tabitha D. Sharp	Mayor Vince Haines

EL DORADO CITY COMMISSION MEETING **June 18, 2018**

The El Dorado City Commission met in a regular session on June 18, 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

Mitch Walters	Gilmore and Bell	Wichita, KS
Curt Zieman	128 N Vine	El Dorado, KS

CALL TO ORDER

Mayor Vince Haines called the June 18, 2018 meeting to order.

INVOCATION

Reverend Corey Landreth, Real Life Church, opened the meeting with an invocation.

PLEDGE OF ALLEGIANCE

The City Commission led the Pledge of Allegiance.

AWARDS AND PRESENTATIONS

City Clerk Tabitha Sharp swore in Fire Captain Mike Rose, Fire Lieutenant Caleb Carson, Master Fire Fighter Caleb Fistler and Fire Fighter Grayson Pryce.

PUBLIC COMMENT

Mayor Vince Haines opened the floor for public comment.

There were no public comments.

CONSENT AGENDA

Approval of Appropriation Ordinance No. 05-18 in the amount of $1,359,205.27.

Approval of a Cereal Malt Beverage License for the El Dorado Broncos at 200 N Griffith.

Commissioner Gregg Lewis moved to approve the consent agenda as presented.

Commissioner Nick Badwey seconded the motion.

Motion carried 5 – 0.

PROJECT NO. 491 – PAVING OF GRIFFITH STREET PUBLIC HEARING

City Engineer Scott Rickard stated that Project No. 491, the paving of Griffith has been completed. He stated that the total cost of the project is $773,377.53. The costs assessed to the improvement district will be $433,782.11 and city-at-large costs will be $339,595.42. The total cost of the project will be bonded, therefore allowing the improvement district to pay off the debt over a twenty year period. The city-at-large portion of the bond will be paid off through the bond and interest fund. He stated that public hearing is required before the costs can be assessed.

Mayor Vince Haines opened the public hearing.

There were no comments.

Mayor Haines closed the public hearing.

Commissioner Nick Badwey moved to approve Ordinance No. G-1279, an ordinance levying special assessments on certain property to pay the costs of internal improvements in the City of El Dorado, Kansas, as previously authorized by Resolution No. 2818, as amended by Resolution No. 2833 of the city; and providing for the collection of such special assessments.

Commissioner Kendra Wilkinson seconded the motion.

ROLL CALL

Position No. 4	Commissioner Kendra Wilkinson	Yes
	Mayor Vince Haines	Yes
Position No. 1	Commissioner Matt Guthrie	Yes
Position No. 2	Commissioner Gregg Lewis	Yes
Position No. 3	Commissioner Nick Badwey	Yes

PREPAYMENT OF LAKE DEBT STAGES 2 & 3

City Manager David Dillner stated that staff are requesting that the City Commission approve the prepayment of Stages 2 and 3 of the Lake Debt. He stated that …

Commissioner Nick Badwey confirmed that this would save approximately $6 million in interest.

City Manager Dillner stated that he was correct.

Commissioner Matt Guthrie stated that he felt this was the best way to go..

Commissioner Badwey stated that he agreed.

Mayor Vince Haines stated that it did seem like a good deal, but he would like to get the advice of a financial advisor before it is completed.

Commissioner Nick Badwey moved to direct the City Manager to seek the advice of a financial advisor on the prepayment strategy of stages two and three of the lake debt.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

RURAL WATER DISTRICT NO. 5 CONTRACT APPROVAL

City Manager David Dillner stated that Rural Water District No. 5's contract expires on July 1, 2018. He stated that this amendment extends the term of the existing contract. He stated that the last amendment changed the amount of water the district is able to use, but not the term.

Commissioner Nick Badwey asked if 40 years was traditional.

City Manager Dillner stated that it was in the past, but he has seen them with different terms. He stated that this does not commit us to the contract for 40 years, it allows for discussion to happen if either party has a significant reason for doing so.

Commissioner Gregg Lewis moved to direct the City Manager to sign the water contract with Rural Water District No. 5.

Commissioner Matt Guthrie seconded the motion.

Motion carried 5 – 0.

AMENDMENT TO THE NO-SMOKING AT YOUTH RECREATIONAL FACILITIES ORDINANCE

City Manager David Dillner stated that the Parks and Recreation Department has received complaints about vaping at our youth recreational activities. He stated that vaping is not currently addressed in the ordinance and so therefore, requests for people to stop vaping cannot be enforced.

Mayor Vince Haines stated that he had a hard time passing an ordinance if it wasn't doing the same thing as second hand smoke.

Commissioner Matt Guthrie stated that vaping and smoking go hand in hand, so he felt it could be treated the same.

Commissioner Nick Badwey confirmed that this was only for youth recreational activities.

City Clerk Tabitha Sharp stated that yes, it was limited to the ball fields during city sponsored recreational activities.

The City Commission tabled the discussion until they could gather further information.

RESCHEDULING OF THE JULY 16TH, 2018 CITY COMMISSION MEETING

City Manager David Dillner stated that staff are requesting that the City Commission move the July 16th meeting to the 17th so that the Commission could attend the Drums Across Kansas event.

Commissioner Matt Guthrie moved to reschedule the July 16th, 2018 meeting to July 17th, 2018 at 6:30 p.m.

Commissioner Gregg Lewis seconded the motion.

Motion carried 4-1 (Commissioner Badwey opposed for the fun of it).

REPORTS

CITY COMMISSION

Commissioner Kendra Wilkinson stated that she attended a presentation on soda fountains in Kansas at the Oil Museum. She stated that the first thing the speaker, who was from out of town, noticed was the flowers on Main Street. She asked that her positive comments be passed on.

Commissioner Wilkinson stated that she received a phone call regarding the drainage at Park and Arthur.

City Engineer Scott Rickard stated that he has spoken to the district and they have engaged a contractor to work on the issue.

Commissioner Nick Badwey stated that Prairie Trails met last week, he missed the meeting but has read the minutes. He stated that he thinks we will get a lot of input from that board because the members are all very passionate.

Commissioner Gregg Lewis stated that he did not get on the Transportation Task Force, other individuals representing a larger and smaller city were chosen.

Commissioner Matt Guthrie stated that the concert at the Depot and it went really well. He stated that it looks like people were really enjoying it.

Commissioner Guthrie stated that there were 1,371 votes and he showed the design that was chosen.

Commissioner Lewis asked who would be producing them.

Commissioner Guthrie stated that it will have to come to the Commission for official adoption before they get to that point.

Mayor Vince Haines stated that the 254 corridor meeting will be happening on Thursday.

City Engineer Scott Rickard stated that they are still trying to define the scope of the coalition and how to manage the asset between the communities.

Mayor Haines asked if there was an upcoming presentation on the work being done in the Industrial Park by PEC.

Mr. Rickard stated that the Alta survey is complete and they are completing the report on that now. He stated that it is an in depth survey that looks at every aspect of the property. He stated that he expects to see it early next week. The land planning will be initiated after that is complete, they anticipate being at the 50% point in July. They will come and give an update to the Commission in the fall, and then go before Planning Commission and come back to the City Commission for official adoption.

Mayor Haines asked if there needed to be an annexation.

Mr. Rickard stated that the Glaves properties that was purchased last year will be done.

Commissioner Lewis confirmed that they were discussing city-owned property.

Mr. Rickard stated that they were discussing both tracts that are out there. He stated that they are trying to plan for the entire area and how it will be used for the future of El Dorado.

Mayor Haines stated that he was asked about the IPS situation at the County Commission meeting last week. He stated that the County appears to be open to continued conversation.

Commissioner Guthrie stated that he didn’t follow what the Mayor was saying.

Mayor Haines stated that IPS is a company that borders the city limits that operates under a conditional use permit from the County, and has several complaints from surrounding property owners and issues with the State of Kansas.

CITY MANAGER

City Manager David Dillner stated that we have not ordered bags in a while to determine the demand for them. There have been many requests and so staff have placed an order for the bags and they will be here in approximately four weeks.

City Manager Dillner reviewed the rules for fireworks in the City of El Dorado. He stated that block party applications are still available, so citizens need to contact City Hall to obtain one. He stated that the 4th of July event will begin on July 3rd with the wiffle ball tournament and then at 9 a.m. on the 4th. He stated that the fireworks display will happen after the Broncos game on the 4th at McDonald Stadium.

City Manager Dillner stated that the Recreation YMCA forum is at the Civic Center on the 20th at 5:30 p.m.

EXECUTIVE SESSION

Commissioner Nick Badwey moved to recess into executive session pursuant to the attorney client privilege exception under K.S.A. 75-4319(b)(2), to discuss pending legal matters and to reconvene the meeting at 8:03 p.m. in the City Commission Room.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

Mayor Haines called the meeting back to order at 8:04 p.m.

ADJOURNMENT

Commissioner Nick Badwey moved to adjourn the meeting at 8:05 p.m.

Commissioner Kendra Wilkinson seconded the motion.

Motion carried 5 – 0.

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City Clerk Tabitha D. Sharp Mayor Vince Haines

2018 Commission Priorities
Water Sales • Community Image • Industrial and Business Parks • Parks and Recreation • Public Safety

TO: City Commission
FROM: Tabitha Sharp, City Clerk
SUBJ: Prepayment of Lake Debt Stages 2 & 3
DATE: June 28, 2018

Background:

In 1981, the U.S. Army Corps of Engineers (USACE) commenced activities for the construction of El Dorado Lake by combining Bluestem and El Dorado Lakes. The newly constructed lake serves primarily as regional flood control and as a supply of municipal and industrial water. Secondarily, El Dorado Lake also serves as a recreational amenity for the region.

The City of El Dorado contracted with the USACE for access to water stored between elevations 1,296 and 1,339 feet above mean sea level for municipal or industrial use, equal to about 142,800 acre feet or about 22 million gallons per day (MGD). The water in El Dorado Lake was divided into sections as follows:

	Usable Storage (ac-ft)	Percent of Supply
Storage Space No. 1	39,793	27.9%
Storage Space No. 2	11,666	8.2%
Storage Space No. 3	19,254	13.5%
Future Space	72,087	50.4%

The City presently uses about 9.0 MGD of this available capacity. Following construction of El Dorado Lake, the USACE amortized the principal amounts of $2.92 million and $7.41 million for Stages 2 and 3, respectively, with a fifty-year repayment schedule. Incidentally, the City received credit for the two combined lakes and did not owe any funds for Stage 1. The City annually pays a total of about $441,350 to service the debt for Stages 2 and 3.

Presently, the City of El Dorado owes an outstanding balance of $8.3 million for debt issued for the construction of Stages 2 and 3. Future stages for the remainder of the available water in El Dorado Lake have not yet been amortized, although the debt associated with future stages continues to compound annually at a rate of 3.502% with a final maturity year of 2081.

The City has been investing $225,000 each year, with the purpose of having funds available to contribute to debt service attributed to future stages, when such stages are activated and amortized. The City had previously assumed its rate of return for lake debt investments at 6.0%, although this assumption has since been adjusted down to a more realistic rate that better reflects the low interest rate environment as well as the investment options available to the City as a municipality.

State and local law limits the instruments the City may invest its excess cash to investment instruments that are either cash or cash equivalents, certificates of deposit (or similar instruments), or obligations that are insured by the U.S. government or agency thereof; or U.S. treasury bills or notes. The current environment does not provide rates of return that will generate sufficient revenue to offset future debt payments on future stages of water supply.

Policy Issue:
The City needs to determine the preferred course of action to address outstanding debt associated with the construction of El Dorado Lake in 1981. In other words, should the City continue the practice of setting aside funds for future payments or follow a change strategic direction that better addresses changes in the environment and assumptions?

Fiscal Impact:
The City currently has $7,177,088.16 from the lake debt fund invested in CD's. The expected interest earned on these CD's by the end of 2018 will be approximately $80,000. The annual transfer of $225,000 will be added to the cash balance of $235,891.60 for a total of $460,891.60. The total cash available on December 31, 2018 will be $7,717,979.76.

The 2019 budget currently includes the annual transfer of $225,000 and the two annual payments for Stages 2 and 3 of $125,535 and $315,817.59, respectively. It is estimated that another $39,000 will be collected in interest earnings during 2019 prior to the payment. Adding these funds to the available funds from December 31, 2018, the City will have a total of $8,423,332.35 available in the lake debt fund.

December 31, 2018, the balance of Stage 2 will be $1,960,531.28 and the balance of Stage 3 will be $6,220,108.39, for a total of $8,180,639.67.

Should the City Commission choose to pay off Stages 2 and 3, the available cash in 2019 will be sufficient to pay the remaining balances, leaving a cash balance of $242,692.68.

At the June 18, 2018 City Commission meeting, the City Commission requested that staff seek the advice of our financial advisor. We reached out to Tom Kaleko of Springsted and he provided the following information:

> "We concur that utilizing the sinking fund to pay off debt related to the activated storage is a viable part of a long-term solution. In effect, paying off this debt would be the same as investing the sinking fund at a rate of 3.502% - which is higher than the investment rate the City will likely achieve in the foreseeable future.
>
> However, utilizing the sinking fund for this purpose would significantly reduce the Water Fund liquidity. It is possible that cash will be needed as the City pursues a long-term solution for the inactivated storage. We would suggest, therefore, that prepayment of the debt related to the activated storage be executed after the City has identified viable strategies to address funding of both the activated and inactivated storage areas."

The quote he provided to further investigate the proposal is included in the packet. At the June 27, 2018 work session, the Commission asked staff to bring the item back for an official vote on July 2nd.

Trade-offs:
If the City elects to continue with the status quo, additional interest equaling about $5.9 million will be paid on Stages 2 and 3 through maturity. These funds would not be available for additional investment, although the $440,000 set aside for these debt service payments could be reallocated to other uses, such as a water marketing program. The City has already paid $3.3 million in interest on these two stages.

Staff Recommendation:

Staff recommend pre-paying stages 2 and 3 in 2019, the exact date to be determined by the Finance Director and City Manager.

Commission Actions:

Commissioner ____________________ moved to include the prepayment of Stages 2 and 3 of the Lake Debt associated with El Dorado Lake in the proposed 2019 budget and further direct the City manager to take such actions to prepare for said prepayment.

Commissioner __________________ seconded the motion.

2018 Commission Priorities
Water Sales • Community Image • Industrial and Business Parks • Parks and Recreation • Public Safety

TO: City Commission
FROM: Tabitha Sharp, City Clerk
SUBJ: City Flag
DATE: June 28, 2018

Background:
The Marketing group for the City of El Dorado held a contest to design our City's flag. They initiated a significant online campaign to request designs from the public and received 158 entries. The committee narrowed those entries down to 12 and submitted those to the public. They reported that 1,313 people voted in the first contest and narrowed the choices to three finalists. Those three finalists were then submitted to the public for another vote and we received 1,371 votes. The winner of that contest was chosen with 567 votes, 107 more than the second place flag and 223 more than the third place flag. The winning design was submitted by Jarrett Deen, it portrays abstract images of oil derricks and wheat stalks. The blue stripe represents the Walnut River which was significant to El Dorado's founding. The design is unique in that it can be hung horizontally or vertically.

Policy Issue:
The City Commission must adopt the flag for it to be official.

Fiscal Impact:
Staff have currently included $10,000 in the proposed 2019 Tourism Fund budget for marketing the flag.

Trade-offs:
N/A

Staff Recommendation:
Staff recommend approval of the flag chosen by voters in the contest.

Commission Actions:

Commissioner ____________________ moved to adopt the flag design shown above.

Commissioner __________________ seconded the motion.

Springsted Incorporated
9229 Ward Parkway, Suite 104
Kansas City, Missouri 64114

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Fax: 816.333.7299
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LETTER OF TRANSMITTAL

September 08, 2017

Mr. David Dillner, City Manager
City of El Dorado
220 E. First Avenue
El Dorado, KS 67042

Re: **Request for a Work Plan Regarding El Dorado Lake Storage**

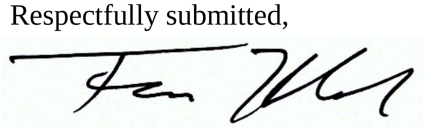
Dear David:

On behalf of our team assembled for this project, Springsted Incorporated welcomes the opportunity to present our scope of work to provide a water utility long-term financial plan for the City of El Dorado, Kansas.

Springsted has nearly 60 years of experience in serving local units of government in a wide variety of consulting and transactional activity. We have extensive experience in developing various utility financial planning models based on clients' goals.

You can be confident in our assigned consulting team's incomparable work ethic, knowledge, expertise and past project experience, which is second to none. We are proud of our team and each one of us is eager to work with you and your staff to meet this important service to the City.

Respectfully submitted,



Tom Kaleko, Executive Vice President
Client Representative

sml

City of El Dorado, Kansas

Work Plan to Provide Water Utility Long-Term Financial Plan

Scope of Work

Project Approach

Springsted is proposing a comprehensive approach to the El Dorado Lake storage issue using two phases.

Phase 1

The first phase includes identifying financial alternatives related to the future use portion of El Dorado Lake within the context of a long-term financial plan for the City's water utility. Specific tasks related to the long-term plan will include the following:

1. Familiarizing ourselves with the current water operating financial statements, debt service outstanding for the initial two storage space uses, the proposed terms of the future use costs, and related revenue and expense drivers for the city
2. Discussions with city staff regarding acceptable alternatives for long-term financial planning of the water supply storage.
3. Creating a long-term financial model with various financing options for the City based on acceptable alternatives discussed above.

Phase 2

The second phase would include investigating certain scenarios on the City's behalf. Using Springsted's expertise we would assist the city in formulating a plan of action which could include additional discussions or negotiations.

Exceptions

To conduct this review, Springsted is requesting the City identify and designate a staff member to serve as a contact person between Springsted Incorporated and the City. This person will be responsible for the gathering of accurate and timely information necessary to complete the project. At a minimum, the following information will be needed to complete the study:

- Past five years detailed financial history of the water utility fund
- Current number of water customers/accounts both in town and out-of-town
- Current rates/fees and billing frequency
- Most recent set of (audited) financial statements
- Fiscal year 2017 and 2018 budget
- Amortization tables for any outstanding water debt (if it they have changed since the Readiness-to-Serve charge study)

Deliverables

We will complete our analysis using Microsoft Excel and prepare a Draft Memorandum for the City's review. We will incorporate any changes into the Final Report and present our findings to the City Administrator. We will provide the City with a PDF copy of the Final Report as well as an overview of the Microsoft Excel based long-term financial model.

Compensation

Phase 1

We propose to complete this review as described in this proposal for the lump sum fee of $6,500; exclusive of any out-of-pocket expenses such as travel and copying. We will complete the study within 3 to 4 weeks of receiving the notice to proceed providing that all necessary information is made available to Springsted in a timely manner and that the City is available for required meeting. Springsted will invoice the City at the completion of the review.

Phase 2

We would propose a lump sum fee of $15,000; exclusive of any out-of-pocket expenses such as travel and copying for phase 2 of this proposal. Should Springsted estimate our time exceeding this amount we will immediately seek the direction of the City before proceeding. Work within this section will be billed monthly to the City.

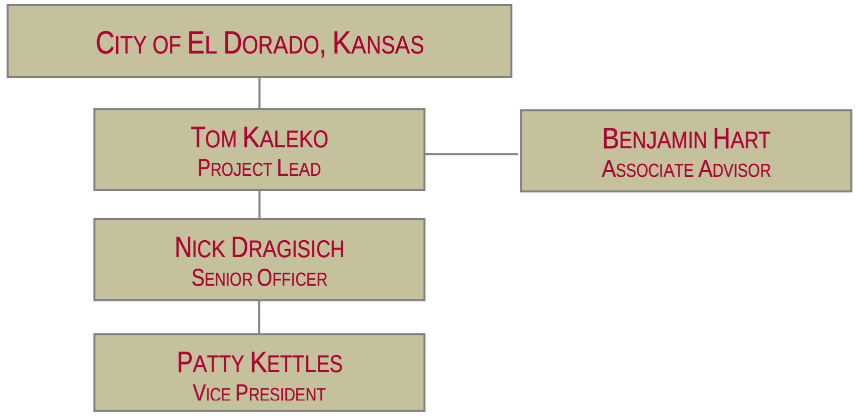
Should the City request and authorize any other additional work outside the scope of services described in this proposal we would invoice the City at our standard hourly fees as shown in the table below plus any related out-of-pocket expenses.

2016 Standard Hourly Fee Schedule	
Title	Hourly Rate
Principal & Senior Officer	$260
Vice President	$215
Analyst	$160
Support Staff	$75

Key Personnel Experience

Our staff's breadth of experience and depth of expertise are two of our most important characteristics in providing high-quality service to clients. Many of our staff have backgrounds in municipal and county government, education or with development firms and non-profit organizations, so they share our clients' perspectives in developing solutions. Each client draws on the talents of many members of our staff. We assign a specific client service team to ensure primary responsibility for each project. The teams are comprised of qualified individuals who are experienced in the specific challenges confronting the City of El Dorado.

The staff assigned to this project is experienced in utility expense and cost analysis. The teams are free to draw upon the expertise of our entire staff.



Tom L. Kaleko, CIPMA
Executive Vice President and Client Representative

Mr. Tom Kaleko, Executive Vice President, directs Springsted's services in Kansas, Missouri and Iowa. He will serve as the team lead for this project. Mr. Kaleko has 20 years of local government experience, including 6 years as the City Administrator in Gardner, Kansas and 12 years serving in the capacity of Assistant City Administrator in Lenexa, Kansas and Blue Springs, Missouri. Since joining Springsted in 2005, Mr. Kaleko has focused on creating financial and economic development solutions for metropolitan suburbs, regional centers, and school districts. Mr. Kaleko works with clients to craft financing solutions for operational and capital needs while managing tax rates and fees. He has helped numerous communities evaluate economic development proposals and negotiate mutually beneficial public-private partnerships. Mr. Kaleko received a master's degree in Public Administration from the University of Kansas and is a Certified Independent Professional Municipal Advisor.

Benjamin O. Hart, CPA, CGMA – Associate Advisor
Senior Vice President and Client Representative

Mr. Benjamin Hart, Senior Vice President and Client Representative has 23 years' experience exclusively serving governmental entities, including 15 years of direct government financial leadership experience as a former CFO for the Unified Government of Wyandotte County/City of Kansas City and City of Olathe; 8 years in public accounting specializing in budget and capital planning, economic development policy, performance measurement as well as governmental auditing. He specializes in debt and risk management, economic development policy, development negotiations and performance management. Mr. Hart is an active member of the GFOA, Kansas League of Municipalities and Missouri and Kansas Society of CPAs, and frequently presents

Nicholas R. "Nick" Dragisich, PE
Executive Vice President

Mr. Nick Dragisich is team leader for Springsted's Management Consulting Services team. He has over 28 years of management experience, including service as a city administrator and city engineer. He joined Springsted Incorporated as a Management Consultant in 2000 and become the team leader for Management Consulting Services in 2003. Mr. Dragisich has been directly responsible for or involved in numerous utility expense and cost analysis studies as well as in the development of Excel®-based computer models for utilities in Iowa, Kansas, Maryland, Minnesota, Missouri, North Carolina, North Dakota, Virginia, Washington and Wisconsin. He holds a master's degree in business administration, a bachelor's degree in civil engineering and is a licensed professional engineer in Minnesota and Washington.

Patricia L. "Patty" Kettles, CIPMA
Vice President and Consultant

Ms. Patty Kettles has over 20 years of experience working with Springsted clients on various projects, including performing utility rate analyses and financial feasibilities, financing options, capital improvement programming and debt management. Ms. Kettles holds a master's in business administration and a bachelor's degree in finance.