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CITY MANAGER

City of Lawrence

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CITY COMMISSION

MAYOR
MIKE AMYX

COMMISSIONERS
ARON E. CROMWELL
LANCE M. JOHNSON
MICHAEL DEVER
ROBERT CHESTNUT

October 12, 2010

The Board of Commissioners of the City of Lawrence met in regular session at 6:35 p.m., in the City Commission Chambers in City Hall with Mayor Amyx presiding and members Chestnut and Cromwell present. Dever was absent. Johnson arrived at 6:53 p.m.

PROCLAMATION

With Commission approval Mayor Amyx proclaimed October 2010 as Meet the Blind Month and October 15, 2010 as White Cane Safety Day.

The off premises cereal malt beverage license for Presto, 602 West 9th Street, was deferred until November 16, 2010.

The Commission recessed at 6:45 p.m. and returned to regular session at 6:53 p.m.

CONSENT AGENDA

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to receive minutes from Destination Management Meetings of May 20, 2010 and June 8, 2010. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, approve claims to 222 vendors in the amount of \$2,070,529.53 and payroll from September 26, 2010 to October 9, 2010 in the amount of \$1,805,513.07. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve the Drinking Establishment licenses for Taste, 804 West 24th; Quinton's, 615 Massachusetts; the Retail Liquor License for Myers Retail Liquor, 902 West 9th; Jensen Retail Liquor, 620 West 9th; the Cereal Malt Beverage Licenses for Presto Convenience, 1030 North



3rd; Presto Convenience, 2330 Iowa, Presto Convenience, 1802 West 23rd. Motion carried unanimously.

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to concur with the recommendation of the Mayor and appoint Brad Cook and Karin Feltman to the Community Commission on Homelessness to a term which would expire December 31, 2012; Deron Belt to the Community Development Advisory Committee to a position which would expire September 30, 2013; and, appoint Doug Gaumer to the Convention and Visitors Bureau Advisory Board. Motion carried unanimously.

The City Commission reviewed bids for Indiana Street Waterline Crossing at 6th Street, for the Utilities Department. The bids were:

Vendor	Base Bid
NJ Trenching Inc.	\$62,096.00
Nowak Construction	\$70,735.40
Lineweaver Constriction	\$64,106.00
Heartland Midwest	\$80,891.00

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to award the bid to NJ Trencing, in the amount of \$62,096. Motion carried unanimously. (1)

Ordinance No. 8578, allowing the temporary possession and consumption of alcoholic liquor on the public right-of-way during the KU Pep Rally on October 21, 2010 in the 1000 Block of Massachusetts Street, was read a second time. As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to adopt the ordinance. Aye: Amyx, Cromwell, Chestnut, and Johnson. Nay: None. Absent: Dever. Motion carried unanimously. (2)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve and adopt on first reading, Ordinance No. 8542/County Resolution No.____, the Comprehensive Plan Amendment (CPA-4-2-10), to update Chapter 14 – Specific Plans to correct references made to the previous Chapter 13 – Implementation regarding the adoption

process for plans. The reference needs to be updated to refer to Chapter 17 – Implementation. This was an oversight when the chapter was renumbered and was identified as a work item in the annual review of the Comprehensive Plan. Motion carried unanimously. (3)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve and adopt or first reading, Ordinance No. 8562/County Resolution No. , the Comprehensive Plan Amendment (CPA-4-3-10), amending Chapter 7 – Industrial and Employment Related Land Uses to be consistent with the approved K-10 & Farmer's Turnpike Plan to include the expanded Santa Fe Industrial Area and I-70 and K-10 industrial area identified in the sector plan. This was an identified work in the annual review of the Comprehensive Plan. Motion carried unanimously. (4)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to authorize the Mayor to sign a Release of Mortgage for BJ Spencer, 3409 West 10th Street. Motion carried unanimously. (5)

As part of the consent agenda, **it was moved by Chestnut, seconded by Cromwell**, to approve as “signs of community interest”, a request from the Pilot Club of Lawrence for signs in the public right-of-way on the northwest corner of 23rd and Harper on the US Bank property advertising the Antique Show and Sale. The sign would be placed on October 22, 2010 and removed on October 23, 2010. Motion carried unanimously. (6)

CITY MANAGER'S REPORT:

During the City Manager's Report, David Corliss said 194 permits were issued in September 2010 compared to 167 permits issued in September 2009; the Second Quarter Barometer Report was released and the economy heading into the summer was fairly strong; Festival of Cultures was held in South Park; and, the bicycle rideability map was completed. (7)

REGULAR AGENDA

Receive presentation from Westar Energy on the Smart Grid Program

Hal Jensen, Westar Energy, gave a presentation regarding the Smart Grid Program.

David Corliss, City Manager, said concerning the community outreach portion of this roll out, he asked if there would be additional public meetings or training sessions. He said he was particularly thinking of some of the property owner commercial applications. He said the City was excited about this application, not just how it would help residences, but help businesses and organizations such as the City.

Jensen said there would be public meetings and some of those meetings were already started not only with the Smart Grid Group, but their Energy Efficiency Team and others such as the Board of Realtors and Property Management Group in Lawrence. They had made presentation and would continue to do so as they were getting closer to the actual meter deployment and availability of those tools. He said they were open on suggestions as to who they should include in their presentations. He said they worked with Eileen Horn, City/County Sustainability Coordinator, regarding supporting those City/County initiatives and this technology would help. Along with the residential customer, the small business owner would receive benefit too.

Mayor Amyx asked if there would be any change in service.

Jensen said the change in service would be improvement. He said someone did not necessarily need to do anything with the meter as far as change in energy use, but it gave a person an opportunity go get on-line and see more information about energy use, but nothing was required. If no change was made by the customer, Westar had better insight and better ability to manage the electric distribution system, both from preventing outages, to responding to outages, improving reliability indexes, insight to voltage conditions, and have a better view.

Commissioner Cromwell said he was pleased the City of Lawrence was one of the first communities to have a Smart Grid Program and all utilities would be moving to this type of program in the future. He said it gave the City the opportunity to look at the data to find out how

much energy was being used. When knowing how much energy was being used, statistics stated that less energy was used.

He said timely use metering was very helpful from a solar point of view because that was when energy costs were the most and when the most kilowatts were being used.

Mayor Amyx called for public comment.

After receiving no public comment, the City Commission received the report. (8)

Consider the de-annexation, A-6-1-10, of approximately 2.4 acres, located at 1820 N 3rd Street, legally described as: the north 90 feet of the southwest quarter of the southeast quarter of Section 18, Township 12 South, Range 20 East, of the sixth principal meridian. Submitted by Eugene F. Reding, property owner of record. Adopt on first reading, Ordinance No. 8579, for the de-annexation (A-6-1-10) of approximately 2.4 acres, located at 1820 N 3rd Street.

Dan Warner, Planner, presented the staff report. He said the property was annexed by Lawrence in 1988, the property owner at the time requested annexation because of failing water well on the property. Water service was not provided to the property by Lawrence. The property had connected to Jefferson County Rural Water District Number 13 service in 1988. The applicant purchased the property in 2009. The applicant stated a number of reasons for de-annexation; no city water was provided to the property and the property was an island in the city surrounded by the county which caused confusion.

He said Lawrence water was approximately one quarter of a mile south of the property and of the south side of highway 24/40. He said the City was in the process of updating the Wastewater Master Plan which provided better information regarding sewer service in the area. The industrial park immediately south of the subject property had provisions for sewer connection and annexation if sewer was within 200 feet of any building. He said there were also a number of developed County industrial properties west of the subject property.

The KDOT facility directly south of Maple Grove Cemetery did take access to municipal water and had a service line that connected to the water main on the south side of the highway.

This property was within the planning area of the Northeast Sector Plan. The Planning Commission approved the Northeast Sector Plan and that plan showed the property as agriculture on a future land use map. The plan also contained a policy which had annexed property in an orderly manner as urbanization of new development occurred, further consider annexing existing County industrial developments as utility issues in the area were better understood and as properties redevelop. Staff suggested that a service plan could be prepared for that area. A service plan would look at the area of developed industrial properties together, specific data to help determine the cost to extend infrastructure to service those properties along with performing a cost benefit analysis of extending that water and sewer infrastructure.

The property was annexed to receive Lawrence water, Lawrence water was not provided to the property. The property received water from a Rural Water District and municipal water was approximately one quarter of a mile to the south. The property was within an area of developed County Industrial properties and the service plan could help determine the cost of extending infrastructure to the subject property and the surrounding area.

The Planning Commission held a public hearing on this item at their regular meeting on September 20, 2010 and voted unanimously to approve the request of de-annexation and required the applicant to execute consent to annexation agreement. Staff's recommendation was for denial of the request of de-annexation of the property based on findings in the staff report and in order for the city to develop and consider a service plan for extending water and sewer service to this property and the surrounding area. Alternatively, if the City Commission agreed with the Planning Commission and found in favor of the request; move approval of the request of de-annexation with the condition that the owner execute a Consent to Annexation Agreement.

He said that there were four possible actions and all were simply majority votes which were: disagree with the Planning Commission and deny the de-annexation request;; agree with the Planning Commission and approve the de-annexation request and require the applicant to

execute a consent to annexation agreement; send the request back to the Planning Commission for further consideration; and defer the request to a future date.

Eugene Reding, property owner at 1820 North 3rd Street, said in 1988 the owner of this property asked to be annexed because the well was failing. He said he bought this property in 2009 and the listing for this property stated “city water” but when he tried to get the water turned on, he found out it was in the rural water district. He said any utility services he had at his address, he had to argue whether he was in the City. He said this property had no need to be within the City of Lawrence and did not know what the City would do with the taxes he paid to the City for 22 years. He asked for de-annexation.

Mayor Amyx said there were other requests for properties to be annexed into the City of Lawrence because of failing water or septic systems and the City had honored those requests, but this was not the time for those systems in that particular area.

Reding said his well water was working beautifully with the same system that was in the house in 1988. He said the problem was with an outside broken hydrant.

David Corliss, City Manager, said he understood that the property owner in 1988 requested annexation. He said property owners typically took on financial costs of extending water and sanitary sewer services to their property. He said he speculated that when the property owner found out how much it would cost to extend water service, that property owner decided not to extend that service and perhaps Jefferson County 13 extended their service, as that County served a number of those properties along the string town commercialization that was outside the city.

He said the area was in need of some planning, so that when the area urbanized it did so to City standards with City services. He said the City was making progress through its master plans and adoption of the Northeast Sector Plan. Eventually, the property needed to be within the city so the property urbanized appropriately to city standards.

This property benefited by its location to the Lawrence community and might not be receiving direct services, but a lot of other city services and expenses that the City incurred that this property and other adjacent properties benefited. He said that was part of the calculation of whether or not this area should be in the City now or should eventually be within the city.

The City did not discuss annexation philosophy, particularly in a down economy. If it was urban property, it should be municipal. This area was almost urban and should be within the city at some point. He said this was an interesting issue and the City was not providing water service to that location at this time, but sometime in the future would offer water service, hence staff's alternative recommendation

Commissioner Chestnut asked if everything north of 24/40 was in the County, such as Maple Grove Cemetery.

Corliss said Maple Grove Cemetery was in the City.

Mayor Amyx called for public comment.

After receiving no public comment, Jensen said if the services were extended, he asked if it involved others around his area. He said there were no city services in that area.

Moved by Cromwell, seconded by Chestnut, to approve de-annexation, A-6-1-10, of approximately 2.4 acres, located at 1820 North 3rd Street, and adopt on first reading, Ordinance No. 8579, for the de-annexation (A-6-1-10) of approximately 2.4 acres, located at 1820 North 3rd Street, contingent on execution of a Consent to Annexation Agreement. (9)

Receive Audit recommendation and follow-up :

Michael Eglinski, City Auditor, presented the audit follow-up report:

Summary of recently implemented recommendations

Management implemented five recommendations since the last audit recommendation follow-up report (April 2010). Implementing the recommendations should strengthen the city's control over payments for street lights; provide the City Commission and management with better information about the workload of the solid waste division; and ensure the city consistently takes advantage of a purchasing rewards program.

Street lights:

Westar Energy and their maintenance contractor have established a goal of addressing street light outages within 48 hours of being reported. They also regularly patrol the entire system to identify outages. While the tariffs still don't establish clear performance expectations, the 48 hour goal provides the city with a benchmark to evaluate Westar Energy's performance.

At the time of the performance audit, many street lights were out (an estimated 250) and responsibilities for identifying and repairing outages hadn't been clearly defined. Some other utility companies that provide street lighting clearly defined responsibilities and the conditions under which customers received payment credit when outages weren't repaired quickly. The city has an inventory of the street lights with information about the location, identification tag number and type of light. Westar Energy provided the city with an inventory of street lights and city staff included the inventory in the city's Geographic Information System. At the time of the performance audit, the city didn't have an inventory. An inventory could provide the city with information to help evaluate the appropriateness of billing and could help identify and report outages and track maintenance performance. Public Works reviews bills on a regular basis. The City Manager assigned Public Works staff the responsibility of reviewing bills on a regular basis. At the time of the performance audit, city staff weren't reviewing bills, increasing the chance that an error could be made and not identified.

Solid waste:

The Solid Waste Division tracks and reports on incentive hours worked. Under the incentive approach, eligible employees that complete their assigned tasks in a safe and timely manner to the satisfaction of their supervisor in less than eight hours will earn eight hours pay and be released for the day. At the time of the performance audit, management didn't track incentive hours. Tracking incentive hours could help implement the incentive policy, measure workload, and provide information to management and the City Commission about work completed.

Purchase card transactions:

The city takes advantage of one "rewards program" through Ace Hardware. The Purchasing Officer also reviewed another rewards program but determined it would not be practical for the city to participate because the rewards program is tied to an individual rather than corporate account. At the time of the performance audit, the city had a rewards account with Ace Hardware but wasn't consistently taking advantage of the program.

Scope, method and objectives

Following-up on the status of audit recommendations provides the City Commission with information about management's efforts to implement audit recommendations. The City Code requires the City Auditor to follow-up on audit recommendations no later than 6-months after issuing an audit, to determine that corrective action was taken and is achieving the desired results. City Code requires that the auditor inform the City Manager and the City Commission of the results of the follow-up. The City Auditor provided the City Manager with a list of audit recommendations and status on August 11, and asked management to provide updates. The request covered recommendations for reports released more than 120 days ago and for open recommendations from older reports. This report covers recommendations from four performance audits: Pavement Condition Measures, Street Lights, Purchasing Cards, and Solid Waste. The auditor compiled the information but did not verify the information provided by management. For each recommendation, the auditor made a judgment about the status of the recommendation.

The City Auditor, with the City Commissions' direction, would "close" the audit recommendation and exclude it from future follow-up reports. Open recommendations would be included in future follow-up reports

Commissioner Chestnut said he agreed the Commission should close the audit recommendations that the City Auditor recommended.

He said regarding the overtime policy that was brought up during budget meetings in July, he would like City staff's recommendations. If a new time and attendance system was going to be implemented, there should be a consistent overtime policy across the organization. He said that led to the Solid Waste issue, and the City was paying overtime after 8 hours and not after 40 hours. He said staff needed to focus energy on that issue because \$1.6 million was spent in overtime.

Secondly, he suggested status updating on Solid Waste with performance measures, routing and vehicle performance. He said GPS monitoring was a reasonably inexpensive solution for vehicles. He said the labor costs were important, but the rolling stock was incredibly expensive and utilization was really important and could be done through some type of tracking mechanism.

Mayor Amyx called for public comment.

After receiving no public comment, **it was moved by Chestnut, seconded by Johnson**, to concur with recommendation to close audits. Motion carried unanimously. **(10)**

Corliss said that staff's intention was to have, on a November agenda, status updates on time and attendance. He said staff was discussing, on a weekly basis with the Public Works Department, the menu of options for Solid Waste and discussing the fleet modernization and improvements.

Commissioner Chestnut said GPS could be a big bang for their buck and there would be a ton of information available.

Corliss said staff would respond to that issue.

PUBLIC COMMENT:

Aaron Trost, Speaker Education Project, said that his organization was working to educate people regarding the powers of the Speaker of the House and encouraged candidates to state whom they support for Speaker of the House.

FUTURE AGENDA ITEMS:

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| 10/19/10 | · Receive update on the status of City Code compliance efforts at 1313 Haskell. |
| 10/26/10 | · City Auditor will present the Performance Audit: Police Administrative Bureau – Identifying Potential Audit Topics. |
| November | · Receive status report on LCS relocation efforts. |
| 11/09/10 | · Receive report from Destination Management, Inc. |
| 11/16/10 | · Conduct public hearing to review the condition of the dilapidated structures at 1200 Pennsylvania and to consider declaring the structures unsafe and ordering the repair or removal within a specified period of time. |
| TBD | <ul style="list-style-type: none">· Receive staff memo regarding possible annexation of Westar Energy Center and adjacent properties. Additionally, staff is working on a memorandum discussing possible annexation of the Miller/Wells acres area.· Receive Lawrence Human Relations Commission gender identity report.· Ordinance No. 8565, establishing a Community Improvement District (CID) at 23rd and Ousdahl Streets.· Consider approving Comprehensive Plan Amendment, CPA-2008-7, amending Horizon 2020 to include Chapter 16 – Environment. (PC Item 4; approved 8-1-1 on 8/23/10) <p style="margin-left: 40px;"><u>ACTION:</u> Approve Comprehensive Plan Amendment (CPA-2008-7), if appropriate.</p> <ul style="list-style-type: none">· Consider Comprehensive Plan Amendment, CPA-6-5-09, to Horizon 2020 – Chapter 14 to include the Northeast Sector Plan. (PC Item 4; approved 5-4 on 9/20/10)· Approve scope of improvements for Iowa Street, Project PW1012, Iowa Street (US-59 Highway), Irving Hill Road to Yale Road, Street Reconstruction and Geometric Improvements· Consider changes to sidewalk dining requirements. |

Moved by Chestnut, seconded by Cromwell, to adjourn at 7:56 p.m. Motion carried unanimously.

APPROVED:

Mike Amyx, Mayor

ATTEST:

Jonathan M. Douglass, City Clerk

CITY COMMISSION MEETING OF OCTOBER 11, 2010

1. Indiana Street Waterline Crossing at 6th to NJ Trenching for \$62,096.
2. Ordinance 8578 – 2nd Read, KU Pep Rally, Oct 21, 2010.
3. Ordinance 8542/County Resolution – CPA-4-2-10, Chapter 13, process for plans.
4. Ordinance 8562/County Resolution – CPA-4-3-10, K-10 & Farmer's Turnpike Plan.
5. Mortgage Release – BJ Spencer, 3409 W 10th.
6. Signs of Community Interest – Pilot Club (Antique Show & Sale) 23rd & Harper, U S Bank.
7. City Manager's Report
8. Smart Grid Program
9. De-Annex (A-6-1-10), 2.4 acres, 1820 N 3rd, 18-12-20E.
10. Audit recommendation.