

City of Hays
City Commission
Work Session Notes
January, 2005

Present: Kent Steward, Wayne Billinger, Troy Hickman, Henry Schwaller IV,
John Bird, Randy Gustafson,
Absent: Barbara Wasinger

Energy Assistance

Pam Blau from First Call for Help has submitted a formal request for natural gas heating assistance in the amount of \$80,000. City staff has determined that the increase in franchise fees that the City will realize as a result of higher natural gas costs, minus the projected increase in heating costs for City buildings, will result in an increase of franchise fees of approximately \$45,860 over the budgeted amount.

The Commissioners will discuss this issue further at the January 12, 2006 Commission meeting.

Fox Theatre Auctioning

Roger Kisner of Golden Edge Realty, in conjunction with Purple Wave Auctions, has submitted a proposal to auction the Fox Theatre. Golden Edge Realty is based in Hays. Purple Wave Auctions is based in Manhattan, Kansas, and is the official on-call auction for the State of Kansas.

The proposal is for a no-reserve auction with a 60-day marketing period as well as a 45-day closing period. The proposal includes a live auction at the theatre itself in conjunction with an electronic online auction. Local realtors will be encouraged to participate and will be compensated if necessary. The cost to the City is \$2,500 at the time of the approval of the auction agreement. Buyers will be charged a buyers fee of 10% of the final sale price.

Further discussion on this issue will take place at the January 12, 2006 Commission meeting.

City -owed Lots

The City of Hays currently owns seven pieces of property that are potential candidates for sale:

17 th & Allen Street (vacant lot)	403 Oak (has a house on lot)
107 East 4 th Street (vacant lot)	111 East 4 th Street (vacant lot)

Two remnant pieces of property from Reverse Access Road Project
Fox Theatre property at 1208 Main St.

Commissioner Billinger stated that he would like to keep the two lots on East 4th Street for parking for special events at the Hays Aquatic Park and Larks Park.

Commissioner Schwaller noted that the 2 lots are not contiguous; that hampers parking somewhat.

City manager Gustafson stated that he would like to request sealed bids for the properties.

The Commissioners will be requested to formally approve the sale of these properties at the January 12, 2006 Commission meeting.

Turf Loan for Larks Park

All capital improvement items for Larks Park must be requested by Fort Hays State University (FHSU) via the City of Hays budgeting process. A request has been received from FHSU to pay off a turf loan that was obtained in 2003 for Larks Park. Staff recommended paying off this loan prior to completing any new capital improvement projects at Larks Park. The loan balance as of January 1, 2006 is \$39,887.63. One option the City has is to pay \$7,000.00 in 2006 to cover the non-funded portion of the loan payment and budget the remaining loan balance to pay off in full in the 2007 budget.

Further discussion on this topic will take place at the January 12, 2006 Commission meeting.

Wild West Festival Committee - Construction of a Second Shelter House at Municipal Park

The Wild West Fest Committee, in conjunction with the Kiwanis Club, is requesting to install a second shelter house at Municipal Park. The total matching fund request for this project is \$7,500.00. Each year the City budgets \$10,000.00 in the special Park and Recreation Budget for the sole purpose of "matching" civic group donations toward park projects. At this time, no other project or request has been made by any other civic groups.

Staff recommended approving the construction of the second shelter at Municipal Park.

The Commissioners will be requested to formally approve the request at the January 12, 2006 Commission meeting.

IRBs for Uniplace

The developer of Uniplace no longer wishes to pursue a property tax exemption in connection with the issuance of Industrial Revenue Bonds and would like the city of Hays to consider issuing the bonds instead of Ellis County.

Philip Lacey, representing Gilmore and Bell, Attorneys-at-Law, discussed the faulty cost benefit analysis that was submitted with the initial request for the City's approval of the IRBs.

City Attorney John Bird stated the base issue is that the Commission's confidence was shaken because of the appearance of a conflict of interest between Gilmore and Bell representing Ellis County in the bond issue and at the same time being the City's counsel for issues of this nature.

Mr. Lacey stated that his intentions, when undertaking this project, was to do it in such a way that the City would understand that Gilmore and Bell was not attempting to take on something that was in conflict with the City's interests. Apparently, the City did not feel like Gilmore and Bell was representing the City

of Hays. Gilmore and Bell was and wants to continue doing so; he will attempt to do a better job in the future of communicating what is going on.

Deron O'Connor, representing Commerce Bank, stated the bonds can be sold because the bonds are backed by the full faith and credit of Commerce Bank. Even without a tax exemption, the benefit of applying for IRBs is that the interest rate is lower than a traditional loan.

The Commissioners will be requested to approve a resolution approving the issuance of the IRBs at the January 12, 2006 Commission meeting.

Artwork for 13th & Hall

The Commissioners decided to have the Beautification Committee review the project and suggest possible solutions for the placement of artwork and/or landscaping at the intersection of 13th and Hall Streets.

Commissioner Hickman left the work session.

Mowing of Ditch along 41st Street - Ordinance 8.32 Enforcement

For years the City has mowed in areas that were not required to be mowed by the City. Letters were sent to property owners along West 41st Street requesting them to mow the property adjacent to their homes. A complaint has been received from one of the property owners in that area.

Commissioner Schwaller stated that he does not feel that residential land that is in the public right-of-way and right next to the roadway should have to be mowed by the property owners. It is not safe for a property owner to be mowing this area due to the large amount of trash that is deposited along this roadway and the amount of traffic. Commercial areas benefit from their property being in the public right-of-way, however, in residential areas, the property owner does not get any benefit from their land being in the right-of-way.

Chairperson Steward agreed with Commissioner Schwaller.

The City Manager commented that the ordinance states that property owners are responsible for mowing; however, he suggested the ordinance be reviewed by the City Attorney and discussed again at a future work session.

Alley Obstruction Program Report

Director of Public Works Brenda Herrman reviewed the Alley Obstruction Clearing Program, which was initiated in March of 2004. The city was split up into five sections; sections one and two have been completed. Hopefully, section three will be wrapped up by September 2006, and work on section four will then begin. It is projected that work on section five will commence in January 2008. Mrs. Herrman stated this process has taken far longer than she anticipated. Since alley obstructions have never been enforced, the first time around will be a lengthy process. This will be a continuous and ongoing process. Hopefully it will be easier when staff goes back the second, third, and fourth time.

Award of Bids for 2006 Street Maintenance Projects

City Manager Gustafson stated that at the January 12, 2006 Commission meeting, the commissioners will be presented the bids for the 2006 Street Maintenance Project on a unit price basis, not connected to specific streets. Since the bids came in lower than anticipated, City staff will identify other street repairs that could be accomplished with the remaining funds in the Special Highway Budget.

Award Bid for 2006 Curb Repair

The Commissioners will be requested to approve the bid from Bryant and Bryant Construction, in the amount of \$47,242.10 for the 2006 Curb Repair Project at the January 12, 2006 Commission meeting.

Water Line along 48th Street for Carrico Implement

Carrico Implement has started construction on a new John Deere dealership on 48th Street west of Vine Street. These improvements require the

extension of public water and sewer utilities to service the new facility. The developer is required to pay the cost of an 8" waterline and the City will be responsible for the cost of over-sizing the line to 12", which is estimated to cost approximately \$11,300, to be paid from the Water/Sewer Capital Budget.

The sewer line will be over-sized as well, from an 8" to a 10" line, to allow for additional development. Carrico will bid this at a later date separate from the water line project. It is anticipated that the City's share will be under \$10,000.

No action is required of the City Commission.

Job Bounty Program

City staff recommended that changes be made to the Economic Development Policy, Section 8. Job Bounty Program. It was recommended that positions be defined as full-time positions.

The Commissioners agreed to the changes.

Chairperson Steward brought up concerns voiced by others about the bounty paid to prospective employers. It is perceived that this is unfair to existing employers and hurts consumers. He is skeptical about recent competition for jobs.

Other Items for Discussion

Chairperson Steward requested an update on the Transportation Committee. He wants to make sure that all their hard work did not go to waste.

Chairperson Steward requested an executive session at the work session on January 19, 2006 to discuss personnel issues.

Executive Session

Wayne Billinger moved, Henry Schwaller IV seconded, that the Governing Body recess to executive session at 7:25 p.m. for 15 minutes to confer with the City Attorney regarding water issues that are covered by attorney-client privilege. The justification for the executive session was that it is in the public's best interest not to reveal the City's position during discussions. The executive

session included the City Commissioners, the City Manager, the Assistant City Manager, and the City Attorney.

Votes: Ayes: Kent Steward

Wayne Billinger

Henry Schwaller IV

Chairperson Steward called the work session back to order at 7:40 p.m. He stated no action was taken during executive session.

The work session was adjourned.

Submitted by: _____

City Clerk