

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON FEBRUARY 24, 2011

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, February 24, 2011 at 6:30 p.m.

Roll Call: Present: Barbara Wasinger
Troy Hickman
Henry Schwaller IV
Ron Mellick
Kent Steward

Chairperson Wasinger declared that a quorum was present and called the meeting to order.

2. MINUTES: There were no additions or corrections to the minutes of the regular session held on February 10, 2011; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Finance Director Kim Rupp reported that month-to-date collections for the Sports Complex in January totaled \$221,735, which is an increase of \$2,271 when compared to last year. Also, miscellaneous revenue experienced an increase of \$188,620 due to the first installment of the NexTech Wireless naming rights multi-year commitment along with funds received from Fort Hays State University in partial reimbursement for their portion of the expenditures shared with them at the Sports Complex. Month-to-date expenditures are at \$0. Inception-to-date collections total \$4,560,915 and inception-to-date expenditures total \$7,127,925. General Fund sales tax collections were up in January with a month-to-date increase of \$4,006 or up .74% from a year ago. The six month running average on sales tax collections is up 3.39%.

The Finance/City Clerk's Office invested \$8,850,000 of maturing or renewing certificates with a weighted average interest rate of .3467%. The portfolio of certificates of deposit on January 31, 2011 totaled \$38,350,000 with a weighted average interest rate of .40%. The total balance of the Money Market account on January 31, 2011 was \$1,000,000 with a current yield of .15%. Total investments are down \$6,400,000 from a year ago.

Ron Mellick moved, Henry Schwaller IV seconded, that the Financial Statement for the month of January 2011 be approved.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

Kent Steward

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: Henry Schwaller IV moved, Troy Hickman seconded, that the following mayoral appointments be approved:

Hays Convention and Visitors Bureau Advisory Committee

Marjorie Dansel – term to expire December 1, 2012

Jane Matlock – term to expire December 1, 2013

Andy Stanton – term to expire December 1, 2011

Rita Stramel – term to expire December 1, 2013

Hays Sister Cities Advisory Board

Miriam Bolyard – term to expire January 1, 2014

Jenny Jiang – term to expire January 1, 2014

Ed Stehno – term to expire January 1, 2014

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

Kent Steward

UNFINISHED BUSINESS

6. STORMWATER UTILITY RECOMMENDATION: CDM Wilson & Company presented the Stormwater Advisory Committee recommendation at the January 20, 2011 work session. The recommendation included an Equivalent Residential Unit (ERU) of \$3.62 per month as the base unit to provide \$670,000 per year for stormwater infrastructure and operations.

Kent Steward moved, Ron Mellick seconded, that staff be authorized to develop an amendment to the Stormwater Management Ordinance that would enact a stormwater utility and other changes regarding stormwater management, and hold a public informational meeting on March 8, 2011.

City Manager Toby Dougherty explained the process the City has followed to date. In 2001, the Stormwater Master Plan was completed and a list of recommendations/projects to mitigate flooding problems in the city was identified. The projects identified are very expensive to implement, as are EPA requirements to treat stormwater discharge. Rather than using sales tax monies or bonding the projects, it was decided to create a stormwater utility to pay for the projects.

Commissioner Schwaller stated he will not vote in favor of an amendment to the Stormwater Management Ordinance unless a tiered system is contemplated for residential users. He feels the one flat fee for all residential units is not fair due to the many different sizes of lots and homes. Businesses are being measured for the amount of impervious surfaces, therefore, the amount they will be charged is equitable.

Commissioner Hickman agreed with Commissioner Schwaller.

The City Manager replied that once the utility is up and running, staff would look at the tiered option to try to find a balance. The Commissioners would be able to consider other options at that time.

Commissioner Steward stated he is very skeptical about initiating a tiered system. Every residence would have to be measured initially and staff would need to monitor any changes in impervious surface every time any improvements

are made that affect impervious surfaces. This would add a tremendous cost to administering the stormwater utility. He does not object to staff exploring the tiered system at this time.

Commissioner Schwaller felt that records kept by the County Appraiser's Office could be used to determine impervious surfaces. When the \$4 fee was implemented last year, the Commissioners said they would look at a tiered system and he wants to do just that.

Chairperson Wasinger stated she feels it is a good idea to look at a tiered system, but for now, the City should go ahead with the ERU flat rate of \$3.62.

Commissioner Mellick stated that even though intentions are good, with a tiered system, money would be spent on administering the utility that could be used for improvements to the stormwater system. He does not mind looking at a tiered option, but does not want a tremendous amount of money spent on administration.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

Kent Steward

NEW BUSINESS

7. ST. JOHN'S VIA CHRISTI – PUBLIC HEARING FOR CONSIDERING ISSUANCE OF INDUSTRIAL REVENUE BONDS: Via Christi Health System has completed and submitted an application for a resolution of intent for the issuance of Health Care Facility Revenue Bonds. Since these are Industrial Revenue Bonds, state statute requires a public hearing be conducted to allow for public comment on the issuance.

Chairperson Wasinger opened the public hearing to hear comments.

Glenn Cox, 1406 Ash, had questions about the general nature of Industrial Revenue Bonds, which were answered by the Commissioners, staff and legal counsel.

Henry Schwaller IV moved, Troy Hickman seconded, that the public hearing be closed.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

Kent Steward

8. ST. JOHN'S VIA CRISTI RESOLUTION OF INTENT FOR THE ISSUANCE OF HEALTH CARE FACILITY REVENUE BONDS:

Industrial Revenue Bonds (IRB) would reimburse Via Christi up to \$14,000,000 in construction costs related to the construction of a skilled nursing facility and renovations to the existing St. John's Assisted Living facility, both at 2525 Canterbury. Via Christi is a not-for-profit corporation, therefore, they will not be pursuing the property tax abatement component of this IRB statute. Passage of a resolution in no way obligates future commissions to this issuance; it is simply required by state statute so that they can obtain sales tax exemption during construction. Via Christi will not seek a revenue bond issue until such time as the project is complete.

JT Klaus of Triplett, Woolf & Garretson, LLC, bond counsel for Via Christi, reviewed the project and process for using IRB's.

David Karlin, president and CEO of St. John's, reviewed the history of St. John's in Hays and Victoria. He presented an artist's sketch of the proposed new facility. He also talked about the economic benefit of constructing this facility.

Ron Mellick moved, Kent Steward seconded, that Resolution No. 2011-003, being a resolution indicating the intent of the Governing Body of the City of Hays, Kansas to issue certain Health Care Facility Revenue Bonds in an aggregate principal amount of not to exceed fourteen million dollars (\$14,000,000) for the purpose of (I) purchasing, acquiring, constructing, furnishing and equipping a skilled nursing facility to be located in the City and (II)

constructing, furnishing and equipping renovations to St. John's Assisted Living, be approved.

Vote: Ayes: Barbara Wasinger
Troy Hickman
Henry Schwaller IV
Ron Mellick
Kent Steward

9. CONSIDERATION OF HAYS AQUATIC PARK SEASON PASS FEE INCREASE FOR THE 2011 SWIM SEASON AND COMBINED CITY/HRC

MEETING: Based on information gathered from other pool facilities across the state, staff recommended increasing the Hays Aquatic Park/Wilson Pool season pass price from \$35 to \$40 per pass. The expected revenue increase per season would be approximately \$8,555 per year based on 2010 participation levels. Staff also requested to combine the annual Pool Summary meeting and the HRC/City of Hays joint meeting into one meeting to be held at the first City Commission meeting in December of each year.

Henry Schwaller IV moved, Barbara Wasinger seconded, that the pool season pass be increased to \$40 and that the Pool Summary meeting and HRC/City of Hays joint meeting be combined into one meeting to be held at the first City Commission meeting in December of each year beginning December 2011.

Vote: Ayes: Barbara Wasinger
Troy Hickman
Henry Schwaller IV
Ron Mellick
Kent Steward

10. STONEPOST APARTMENTS PHASE III REQUEST FOR WATERLINE UPGRADE COST SHARE:

Along with Phase III of the Stonepost Apartments project that is planned for the SE corner of 4th and Oak, there is a need for waterline upgrades in the area. This section of line was identified in the 2003

Water Distribution Study as needing to be replaced, however, there was never a driving force to move this project along and replacement never occurred. Overland Property Group, the developers of Stonepost, has formally requested to enter into a cost share agreement for the line replacement. The engineer's estimate for this waterline upgrade is \$57,340.75 including engineering costs. The City share amounts to \$31,440.50 and the developer's share is \$25,900.25. The City share is slightly higher due to the additional footage of line replacement that is not part of the Stonepost project.

Commissioner Schwaller left the meeting during discussion of the project.

Ron Mellick moved, Kent Steward seconded, that the City Manager be authorized to execute a developer agreement with Overland Property Group providing for the City's cost share of the waterline upgrade not to exceed \$31,440.50.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Ron Mellick

Kent Steward

Not Voting: Henry Schwaller IV

Commissioner Schwaller rejoined the meeting after the vote.

11. PROPOSED HANGAR RATE INCREASE AT THE HAYS REGIONAL AIRPORT: On April 22, 2010, the City Commission approved a 10% rate increase for land leases and city-owned hangar leases at the Hays Regional Airport. At that time, it was suggested that these rates be reviewed annually and adjustments made accordingly. The proposed new rates would be \$.20/SF for land leases and a 10% increase on five city-owned hangars and seven cents a square foot on six hangars to equal \$1.50/SF. Staff recommended the rate increase be effective July 1, 2011 through June 30, 2012. This is the third and final rate increase on the incremental plan presented and approved in 2009.

Ron Mellick moved, Henry Schwaller IV seconded, that an incremental increase in the hangar/land lease rates at the Hays Regional Airport be approved, bringing the cost of the land leases for privately-owned hangars to

\$.20/SF and a 10% increase on five city-owned hangars, and seven cents a square foot on six hangars to equal \$1.50/SF, for the period of July 1, 2011 to June 30, 2012.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

Kent Steward

12. PAVEMENT CONDITION ASSESSMENT: Automated data collection uses computer controlled radar, lasers, and digital imagery equipment mounted in a mobile unit, which is driven on streets collecting uniform, unbiased data on the condition of the pavement. Proposals were solicited for automated data collection services regarding the pavement condition of streets throughout the City and the development of a 5-year repair and maintenance program. Staff recommended entering into an agreement with Infrastructure Management Services (IMS) of Tempe, AZ, in an amount not to exceed \$48,000.

Barbara Wasinger moved, Troy Hickman seconded, that the City Manager be authorized to enter into an agreement with Infrastructure Management Services, in an amount not to exceed \$48,000, for services related to automated pavement data collection and the development of a new 5-year repair and maintenance program.

Commissioner Steward questioned spending \$48,000 for a pavement condition assessment for five years; he would rather spend less money annually to identify streets in need of repair. He feels that, in five years, the data would be out of date.

Chairperson Wasinger stated that cities are faced with losing funding from both the state and the federal government. The best decisions need to be made and she feels the pavement condition assessment will provide a base line assessment of all the streets in Hays. From that assessment, decisions can be made regarding street repair.

The City Manager stated that if this is not approved, staff will do the best job they can to gather data and develop a plan. Staff feels that with IMS's assistance, a better plan can be developed. Many of the cities funding sources for street repairs are no longer available. It is felt that, with the assistance of pavement condition assessment data, good decisions will be made on where and how to spend money for street repair.

Commissioner Mellick stated the data will help the city from making the same mistakes that were made on 13th, Vine and Indian Trail, those mistakes being that once the streets were tore up it was discovered that the base had also deteriorated.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

No: Kent Steward

13. VINE STREET RECONSTRUCTION (22ND TO 27TH) – AWARD OF BID:

The City has received KDOT Connecting Link funding to assist in the cost of construction of Vine Street from 22nd to 27th Street. The low bid for the project, in the amount of \$993,541, was submitted by Smoky Hill Construction.

Henry Schwaller IV moved, Troy Hickman seconded, that the City Manager be authorized to enter into a contract with Smoky Hill Construction, in the amount of \$993,541, for the reconstruction of Vine Street from 22nd to 27th Street.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

Kent Steward

14. VINE STREET RECONSTRUCTION (22ND TO 27TH) – RESOLUTION AUTHORIZING BONDS FOR REIMBURSEMENT:

The City's Capital Improvement Plan includes the reconstruction of Vine Street from 22nd to 27th

Street in 2011 to be funded in part by State Connecting Link funds with the balance to be funded locally through the issuance of General Obligation Bonds. In order to bond the costs of this project, a resolution needs to be adopted authorizing the reconstruction and issuance of General Obligation Bonds.

Henry Schwaller IV moved, Kent Steward seconded, that Resolution No. 2011-004, being a resolution authorizing the reconstruction of Vine Street from 22nd Street north to 27th Street, and authorizing the issuance of General Obligation Bonds of the City of Hays to pay the costs thereof, be approved.

Vote: Ayes: Barbara Wasinger

Troy Hickman

Henry Schwaller IV

Ron Mellick

Kent Steward

15. REPORT OF THE CITY MANAGER: Assistant City Manager Paul Briseno presented his monthly report of projects and activities throughout the city.

16. COMMISSION INQUIRIES AND COMMENTS: There were no comments.

The meeting was adjourned at 8:09 p.m.

Submitted by: _____

City Clerk