

City of Hays
City Commission
Work Session Notes
June 5, 2008

Present: Barbara Wasinger, Ron Mellick, Christopher Channell, Allan Lytton, Troy Hickman, Carol Park, Toby Dougherty

2009 Budget Presentations – Outside Agencies

Representatives from the following agencies presented their organization's funding requests for 2009:

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| • Downtown Hays Development Corporation | \$ 59,617 |
| • Wild West Festival Committee | 9,500 |
| • CARE Council – Social Services | 164,000 |
| • CARE Council – Special Alcohol Tax Fund | 65,850 |
| • Fort Hays State University | 100,000 |
| • Ellis County Historical Society | 11,700 |
| • Hays Arts Council | 10,500 |

The Commissioners will consider these requests when preparing the 2009 Budget.

Golden Belt Estates, Third Addition, Vista Drive-Resolution for Improvements

Western Plains Service Corporation has petitioned the City for improvements to Golden Belt Estates, Third Addition, Vista Drive. The property owners will be assessed for the improvements. The Commissioners will be requested to formally approve a resolution approving the improvements at the June 12, 2008 Commission meeting.

Rezoning of Property South of Westridge Addition (Post Road)

At the June 12, 2008 Commission meeting, the Commissioners will be requested to approve rezoning property south of the Westridge Addition from A-L (Agricultural District) to R-1 (Single-family Dwelling District).

Smoky Transmission Line Customers

In 1950 and 1951, the City entered into agreements which allowed four residential customers to connect to the raw water transmission line that runs from the Smoky Well Field along US-183 to the Water Treatment Plant. The water in the transmission line is chlorinated at the well fields using compressed chlorine gas. When the Smoky Expansion Project is complete, the City will not use compressed chlorine gas and will switch to calcium hypochlorite tablets. KDHE regulations do not allow water to be provided to a customer when treated in this manner, therefore, the four customers must be removed from the transmission line. The agreements state that the City shall have the right to disconnect service at any time for any reason.

City staff is working with Rural Water District #1C to determine if there is an available supply within that District to add these four customers.

22nd Street Construction Project – Authority to Award

The Commissioners will be requested to approve an Authority to Award Contract and Commitment of Funds resolution for the construction of 22nd Street from Canterbury to Commerce Parkway at the June 12, 2008 Commission meeting.

Sewer Rates Resolution

At the June 12, 2008 Commission meeting, the Commissioners will be requested to approve a resolution raising sewer fees in 2009.

Discussion was held about whether to raise the rates 3% or 4% annually.

Commissioner Channell favored raising the rates 4% each year until 2018, at which time bonds will be sold to finance the needed improvements. At that time, any needed adjustments to the percentage of increase could be made.

Commissioner Hickman feels the rate should be 3% until such time as the final cost of the improvements are known.

Commissioner Lytton agreed with Commissioner Hickman.

Commissioner Mellick stated that when looking at the dollar increase on an average sewer bill, there is not that much difference between 3 and 4%. By selecting the 4% across the board option, the anticipated 9% increase in 2018 is avoided. Therefore, he is in favor of a 4% increase.

Chairperson Wasinger agreed with Commissioners Channell and Mellick. There will be many environmental changes in the future that cities will have to comply with. Prices will continue to go up and restrictions will get tighter.

City Manager Toby Dougherty stated that staff will monitor and keep track of this situation. Additionally, KDHE will not have their full set of regulations/standards in place until 2010. Until then, it will be necessary to estimate for the next couple of years.

Commercial Insurance Renewal

Finance Director Kim Rupp reviewed the 2008-2009 Commercial Insurance Renewal Package for Traveler's Insurance through our broker, Sunflower Insurance Group. SIG provides insurance consulting, marketing, placement services, risk management consulting and claim services on behalf of the City of Hays. The 2007-2008 renewal premium was \$160,587 and the proposed renewal for 2008-2009 is \$160,597. While the premiums are very similar, the 2008-2009 reflects an 8.5% net rate reduction.

The Commissioners will be requested to approve the Renewal Package at the June 12, 2008 Commission meeting.

Washer Rebates

As of March 31, 2008, the original \$10,000 ear marked in the 2008 Budget for high efficiency washer rebates had been exhausted. Thirty-six rebates remaining unpaid in 2007 were paid out of the 2008 funding of \$10,000. Sixty-four rebates have been paid with the remaining funds. The Finance Office has 17 applications that have been submitted and approved waiting to be paid.

Finance Director Kim Rupp recommended that the City fund the program with an additional \$3,600 to cover what was carried over from 2007, payout the 17 applications that are approved and waiting for payment, and continue to pay rebates to the next 19 approved applicants.

Assistant City Manager Mark Loughry stated staff has tracked the water usage of people who have received the rebates. For those accounts, water usage has dropped about 100 cubic feet (748 gallons) a month with these high-efficiency wash machines or 8,976 gallons per year. For 100 accounts, that would be 897,600 gallons per year. This is the 2nd year of the program, so one could assume that 1,795,200 gallons of water will be saved annually.

The Commissioners agreed to allocate an additional \$5,000 this year for the program. Formal action on this matter will take place at the June 12, 2008 Commission meeting.

Executive Session

Christopher Channell moved, Allan Lytton seconded, that the Governing Body recess to executive session at 7:16 p.m. for 15 minutes to discuss property acquisition. The executive session included the Commissioners, the City Manager, the Assistant City Manager, and Carol Park, representing the City Attorney in his absence. K.S.A. authorizes the use of executive session for discussion on property acquisition.

Vote: Ayes: Barbara Wasinger

Ron Mellick

Christopher Channell

Allan Lytton

Troy Hickman

Chairperson Wasinger called the work session back to order at 7:31 p.m.
She stated no action was taken during executive session.

Troy Hickman moved, Allan Lytton seconded, that the Governing Body
recess to executive session for an additional 8 minutes to discuss property
acquisition.

Vote: Ayes: Barbara Wasinger

Ron Mellick

Christopher Channell

Allan Lytton

Troy Hickman

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

The work session was adjourned.

Submitted by: _____

City Clerk

