

MINUTES OF A MEETING OF
THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JUNE 27, 2013

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, June 27, 2013 at 6:30 p.m.

Roll Call: Present: Kent Steward
Henry Schwaller IV
Eber Phelps
Shaun Musil
Ron Mellick

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

2. MINUTES: There were no corrections or additions to the minutes of the regular session held on June 13, 2013; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Finance Director Kim Rupp reported that month-to-date sales tax collections for the Sports Complex were \$241,082 which was a decrease of \$8,200 when compared to last year. Total year-to-date collections are \$1,219,772 and inception-to-date collections total \$11,145,621. This represents the total collections for the four year term of the sports complex sales tax. General Fund month-to-date sales tax collections were \$591,279 down \$19,955 or -3.26% as compared to last year. The six month running average on sales tax collections is down 1.98%.

The portfolio of certificates of deposit on May 31, 2013 totaled \$51,050,000 with a weighted average interest rate of .24%. The total balance of the Money Market account on May 31, 2013 was \$1,000,000 with a current yield of .20%. Total investments are up \$3,550,000 when compared to this time last year.

Ron Mellick moved, Henry Schwaller IV seconded, that the Financial Statement for the month of May 2013 be approved.

Vote: Ayes: Kent Steward
Henry Schwaller IV
Eber Phelps
Shaun Musil
Ron Mellick

4. CITIZEN COMMENTS: There were no comments.

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

Hays Beautification Committee

Joni Phelps – 3-year term to expire August 1, 2016

Hays Public Library Board

Pamela Shaffer – 4-year term to expire April 30, 2017

Delbert Stanton – 4-year term to expire April 30, 2017

Lauren Lowry – unexpired term to expire April 30, 2014

Vote: Ayes: Kent Steward
Henry Schwaller IV
Eber Phelps
Shaun Musil
Ron Mellick

Mayor Steward presented the following proposed mayoral appointment, which will be voted upon for approval at the July 11, 2013 Commission meeting:

Hays Area Planning Commission

Travis Rickford – 3-year term to expire April 30, 2016.

NEW BUSINESS

6. COMMERCIAL INSURANCE RENEWAL – 2013/2014: The City's commercial insurance policy with Companion Commercial Insurance will expire

on July 1, 2013. Insurance Planning provides for critical insurance oversight for the City as the insurance broker. Requested quotes to various companies by Insurance Planning resulted in one responsive and responsible bid from our current carrier in the amount of \$196,523. The outcome of this effort translates into an increase in premium for the property and liability package of 2.6% or \$4,971.

Rich Kraemer and Dale Chaffin from Insurance Planning addressed the Commission regarding the changes from last year to this year. Mr. Chaffin stated this is a very good renewal rate in the current insurance market.

Henry Schwaller IV moved, Eber Phelps seconded that the City Manager be authorized to renew the 2013/2014 Commercial Insurance Policy with Companion Commercial Insurance for the coverage presented, with an annual premium total amount not to exceed \$196,523 to be funded from the Intergovernmental Insurance and Surety line item.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Eber Phelps

Shaun Musil

Ron Mellick

7. 13th STREET OVERLAY (VINE TO HARVEST) – AWARD OF BID: Henry Schwaller IV moved, Shaun Musil seconded, that the City Manager be authorized to enter a contract with APAC-Kansas, Inc. in the amount of \$621,506.95 for the rehabilitation of 13th Street from Vine Street to Harvest Road including the restriping from Milner to Harvest from 4 lanes to 3 lanes, and funded from Financial Policy Projects.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Eber Phelps

Shaun Musil

Ron Mellick

8. 2012 AUDIT: As required by Kansas statute, the City of Hays hires an outside firm to conduct an annual audit of City finances. The audit represents an unbiased opinion of business practices and the financial soundness of all City funds.

Ken Beran and Melissa Romme of Adams, Brown, Beran and Ball presented the 2012 Audit Report.

Henry Schwaller IV moved, Eber Phelps seconded, that the 2012 audit for the City of Hays as presented by Adams, Brown, Beran and Ball be accepted.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Eber Phelps

Shaun Musil

Ron Mellick

9. UPDATE ON CONCEALED GUN/KNIFE LEGISLATION: The State of Kansas has made it legal to carry concealed weapons in public buildings. Beginning July 1, 2013 the only way a municipality can prohibit the concealed carry of handguns in its facilities is by installing electronic equipment and staffing entrances.

City Manager Toby Dougherty stated there is a provision in House Bill 2052 that allows Hays to exempt its facilities from the provisions of the modified concealed carry law, through January 1, 2014, by sending a letter to the Attorney General.

Eber Phelps moved, Henry Schwaller IV seconded, that the City Manager be authorized to send a letter to the Attorney General exempting the City of Hays facilities from the provisions of the modified concealed carry law through January 1, 2014.

Commissioner Steward stated failure to seek the exemption does not prevent us from taking further steps as this unfolds and does not feel it is necessary to request this exemption.

Commissioner Steward clarified the Mayor should be authorized to send the letter rather than the City Manager.

After amendment, a motion by Eber Phelps, seconded by Henry Schwaller IV, was adopted to authorize the Mayor to send a letter to the Attorney General exempting the City of Hays facilities from the provisions of the modified concealed carry law through January 1, 2014.

Vote: Ayes: Henry Schwaller IV

Eber Phelps

Shaun Musil

Ron Mellick

No: Kent Steward

10. WATER CUSTOMERS OUTSIDE THE CITY LIMITS: Properties outside the city limits of Hays have been allowed to connect to the City's water system. The only requirements placed on the connections were that the customers pay an outside city limit rate and the owner signs a pre-annexation agreement. City staff has evaluated this practice and recommends that it be stopped. Water is in short supply and every new customer creates more demand on the system.

City Manager Toby Dougherty recommended that customers outside the city limits not be allowed to connect to the City's water system unless a significant and quantifiable benefit can be demonstrated to the City Commission.

Henry Schwaller IV moved, Shaun Musil seconded, to approve a moratorium to eliminate all outside water service requests for individuals that are not residents of the City for a period of one year to review annually.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Eber Phelps

Shaun Musil

Ron Mellick

11. WATER RATE ADJUSTMENTS – 2ND CONSERVATION TIER: Water rates in the City of Hays are designed to incentivize conservation through the implementation of two pricing tiers. While staff believes the current structure has served to limit outdoor watering, much waste still occurs. This is evident in 2012 residential usage among the top customers. An additional conservation tier is

proposed to curb the excess use of water among top residential users. This proposed system will not hinder those currently using water efficiently. Furthermore, it will financially encourage those who use water in excess to take measures to reduce usage.

Assistant City Manager Paul Briseno stated that 80% of our residential customers use water efficiently; however 20% of our residential customers use 44% of our residential water.

All water usage is billed using the base charge plus \$1.80 per 100 cubic ft. Currently, the conservation tier allows for unlimited use at a price of \$3.60 per 100 cubic ft. for usage over the average. Staff is proposing to add a 2nd conservation tier and limit the 1st tier to 1,000 cubic ft. at \$3.60 per 100 cubic ft. and the 2nd tier would charge \$5.40 per 100 cubic ft. for all usage exceeding the water average plus 1,000 cubic ft. In the event of a water warning or emergency, the second tier would be raised to \$7.20 per 100 cubic ft.

Commissioner Mellick suggested the 2nd tier charge be doubled; stating the \$7.20 charge may keep us from going into the water warning.

Commissioner Schwaller stated that Big Creek wells within the city are stressed, and they're not being rejuvenated, there is no rain, and the Smoky has only been rejuvenated because of water release from Cedar Bluff and that only puts us back to last October. If this continues for another 12 months we will not have any water. He feels this rate structure needs to be implemented now.

After amendment, a motion by Henry Schwaller IV, seconded by Shaun Musil, was adopted to approve Ordinance No. 3866 amending Chapter 65 of the City of Hays, Kansas, Municipal Code, by modifying Article IV, Section 65-224, regarding rates inside and outside the city and adding the 2nd Conservation Tier, setting the 2nd conservation tier fee at \$7.20 per 100 cubic ft. and setting the 2nd conservation tier fee at \$10.00 per 100 cubic ft. during water warnings or water emergencies, to take effect August 1, 2013.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Eber Phelps

Shaun Musil

Ron Mellick

12. PROGRESS REPORT: Assistant City Manager Paul Briseno presented a monthly report on projects and activities occurring in various City of Hays departments.

13. REPORT OF THE CITY MANAGER: The City Manager had no additional items to report on.

14. COMMISSION INQUIRIES AND COMMENTS: Commissioner Mellick wished everyone a Happy 4th of July and suggested everyone watch the Wild West Fest fireworks display; and reminded everyone that due to the holiday next week the work session will be held on Tuesday July 2nd, 2013.

Commissioner Musil wished everyone a Happy 4th of July and said he realizes the water situation is very controversial and hopes they are doing what is best for the City now and for the future.

Commissioner Phelps suggested putting the monitoring well reports on our website to make it more available to the public. He also asked if city customers can access their account or pay their bill on line.

Finance Director Kim Rupp stated we are working on that right now. The infrastructure for the software is in place, we still need to test it, but should be available soon.

Commissioner Schwaller requested city staff look into a ban on all outside watering.

Commissioner Mellick wished everyone a Happy Independence Day.

The meeting was adjourned at 8:28 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk

