

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JULY 25, 2013

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, July 25, 2013 at 6:30 p.m.

Roll Call: Present: Kent Steward

Henry Schwaller IV

Eber Phelps

Ron Mellick

Absent: Shaun Musil

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 July 11, 2013; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Finance Director Kim Rupp reported that month-to-date general fund sales tax collections were at \$567,547 down -\$40,779 or -6.7% as compared to last year. The six month running average on sales tax collections is down -1.26%.

The Finance/City Clerks office invested \$7,000,000 of maturing or renewing certificates with a weighted average interest rate of .17%. The portfolio of certificates of deposit on June 30, 2013 totaled \$54,050,000 with a weighted average interest rate of .24%. The total balance of the Money Market account on June 30, 2013 was \$850,000 with a current yield of .20%. Total investments are up \$5,100,000 when compared to this time last year. Mr. Rupp also mentioned that Astra Bank was a new and successful bidder on two of the certificates mentioned above.

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

Vote: Ayes: Kent Steward

Henry Schwaller IV
Eber Phelps
Ron Mellick

4. CITIZEN COMMENTS: There were no comments.

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

Hays Beautification Committee

Janis Lee – 3 year term to expire August 1, 2016

Marcia Tacha – 3 year term to expire August 1, 2016

Vote: Ayes: Kent Steward

Henry Schwaller IV
Eber Phelps
Ron Mellick

Mayor Steward presented the following proposed mayoral appointments, which will be voted upon for approval at the August 8, 2013 Commission meeting:

Fort Hays Municipal Golf Course Advisory Board

Ron Speier – 3-year term to expire July 1, 2016

Hays Area Board of Zoning Appeals

Louis Caplan (Planning Commission Rep) – 3-year term to expire May 1, 2016

Hays Area Planning Commission

Louis Caplan – 3-year term to expire April 30, 2016

Tom Denning (resides outside city limits) – 3-year term to expire April 30, 2016

Matthew Wheeler (resides outside city limits) – 3-year term to expire April 30, 2016

Hays Beautification Committee

Carol Heiman – 3-year term to expire August 1, 2016

Doris Wing – unexpired term to expire August 1, 2015

Vote: Ayes: Kent Steward

Henry Schwaller IV
Eber Phelps

Ron Mellick

NEW BUSINESS

6. ORDINANCE TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2013-A:

The Golden Belt 4th Addition and 46th Street 1st Addition improvement district projects are complete, the assessments have been levied, and the projects are ready to be financed. On June 13, 2013, the Commission approved Resolution No. 2013-014 authorizing the offering for sale of the Bonds.

Finance Director Kim Rupp and Todd Burrus with George K. Baum and Associates presented the bond sale results.

Henry Schwaller IV moved, Ron Mellick, seconded that Ordinance No. 3868 authorizing and providing for the issuance, payment, and security of General Obligation Refunding and Improvement Bonds, Series 2013-A in the principal amount of \$1,245,000 be approved.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Eber Phelps

Ron Mellick

7. RESOLUTION FOR THE SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2013-A:

As part of the process to sell bonds to fund the reimbursement of expenditures for City improvements to two special assessment areas in Hays along with the refunding of General Obligation Bonds Series 2002-A, a resolution must be approved authorizing the sale of bonds as previously ordered by Ordinance No. 3868.

Ron Mellick moved, Henry Schwaller IV seconded, that Resolution No 2013-020 authorizing and directing the sale and delivery of General Obligation

Refunding and Improvement Bonds Series 2013-A in the principal amount of \$1,245,000 be approved.

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

8. NORTH WATER TOWER INTERIOR PAINTING – AWARD OF BID:

The water tower located on the corner of Roth and 55th Street was constructed in 1995 to supply water to homes and businesses located north of I-70. AWWA (American Water Works Association) recommends repainting water tower tanks every 15 years, and the tank is now 18 years old. The 2013 budget included funds for sandblasting, painting, and repairs to the inside of the water tower. Bids were received from seven contractors with the low bid coming from Utility Service Co., Inc.

Ron Mellick moved, Henry Schwaller IV seconded, that the City Manager be authorized to enter a contract with Utility Service Co. Inc., in the amount of \$66,000 for the sandblasting, painting, and repairs to the inside of the 500,000 gallon water tower, funded out of the water-wastewater capital reserves.

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

9. OIL AND GAS LEASE – HAYS MEMORIAL GARDENS CITY CEMETERY:

David Barker has leased the land adjacent to Hays Memorial Gardens Cemetery for oil and gas exploration. He would like to pool, or combine, the City Cemetery acreage with the other lease(s). He proposes that the lease be a "no drill" lease, meaning that there will be no operations whatsoever performed on the City property and the City would receive its proportionate amount of any production from the pooled acreage. The reason that Mr. Barker wants the City to lease its property is that it will allow him to site the well where his seismic data

shows it would be best to drill and not be adversely affected by State regulations regarding proximity to non-leased property.

The City was approached by Mr. Barker requesting a "no drill" oil and gas lease on the City Cemetery, offering a lease bonus of \$1,000 and a standard one-eighth royalty. The \$1,000 bonus (\$100 per acre) is significantly higher than the bonuses being paid on oil and gas leases in Ellis County. There is unlikely to be any interest in leasing from other oil companies since they do not have the land adjacent leased. Barker is the only individual or company who would be in a position to offer the City a lease.

Eber Phelps moved, Ron Mellick seconded, that the Oil and Gas Lease proposed by David Barker with the bonus payment be approved.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Eber Phelps

Ron Mellick

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

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

12. COMMISSION INQUIRIES AND COMMENTS: Commissioner Phelps thanked the Fire Department for their work on the train derailment. He also stated he is a regular user of the compost site, and has seen a lot of trash in with the grass clippings. He suggested putting a reminder in the newsletter informing citizens to take tree limbs to the Ellis County Landfill and not to the compost site.

Commissioner Schwaller asked for an update on when the bicycle lanes will be installed, and stated we need to educate citizens about where they can and can not ride bicycles.

The meeting adjourned at 7:11 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk