

MINUTES OF A MEETING
OF THE
GOVERNING BODY OF THE
CITY OF HAYS, KANSAS
HELD ON JULY 26, 2007

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, July 26, 2007 at 7:30 p.m.

Roll Call: Present: Troy Hickman
Ron Mellick
Christopher Channell
Allan Lytton
Absent: Barbara Wasinger

Chairperson Hickman 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 12, 2007; the minutes stand approve as written.

3. FINANCIAL STATEMENT: Finance Director/City Clerk Mark Loughry reported that investments on June 30, 2007 totaled \$37,350,000, which is a \$1,050,000 increase when compared to June 2006. Interest due at maturity on current investments totals \$1,862,565, which is an increase of \$383,800 compared to June 30, 2006. In June, the Finance/City Clerk's Office invested \$5,000,000 of maturing CD's with a weighted average interest rate of 5.11%. Sales tax collected in June for the General Fund totaled \$494,511, which was an increase of \$23,978 when compared to 2006. To date, sales tax collections are up 4.27% compared to 2006.

Christopher Channell moved, Allan Lytton seconded, that the Financial Statement for the month of June 2006 be approved.

Vote: Ayes: Troy Hickman
Ron Mellick
Christopher Channell
Allan Lytton

4. CITIZEN COMMENTS: Vernon Befort, 1404 West 44th Street expressed some concern about standing water in the ditches in the Golden Belt Estates 2nd Addition. He is worried about a potential mosquito problem.

Staff was instructed to look into the matter.

5. CONSENT AGENDA: A. Business Resolution: Resolution No. AR-02, Series 2007, was adopted expressing appreciation to Paul W. Jones, DDS, the new owner of the Cedar Lodge Family Dental practice.

B. Mayoral Appointments: The Commissioners received the following appointments proposed by Mayor Hickman:

Hays Recreation Commission – Nancy Jeter

Public Wholesale Water Supply District #15 Board – Henry Schwaller IV

The appointments will be presented for approval at the August 9, 2007 Commission meeting.

NEW BUSINESS

6. R9 RANCH INSURANCE: In 2006, the City entered into an agreement with Farmers National for professional management of the R9 Ranch. Part of the services provided by Farmers National is the review of insurance coverage and submission of claims. In 2007, Farmers National requested the City's consideration of transferring the R9 insurance from the City's current carrier to their insurance division who specializes in writing farm policies. City staff requested a proposal from Farmers National and then asked for a comparison quote from the current carrier. While Farmers National came in approximately \$4,250 higher, the coverage is far superior in that it is replacement cost versus the current cash value policy. The current carrier is unable to provide a replacement value policy at this time.

Ron Mellick moved, Allan Lytton seconded, that the agreement with Farmers National for insurance coverage for the R9 Ranch be approved.

Vote: Ayes: Troy Hickman

Ron Mellick

Christopher Channell

Allan Lytton

7. SCHEDULING OF PUBLIC HEARING FOR 2008 BUDGET: City staff recommended setting the mill levy for 2008 at 25 mills, however Chairperson Hickman stated he would rather see the mill levy set at 24 mills. He feels that the City spends its money wisely. Staff does not spend everything that is budgeted and revenue is generally underestimated.

Christopher Channell moved, Ron Mellick seconded, that the date of August 9, 2007 be set as the date for a public hearing for the 2008 Budget, that \$79,000 be included in the budget for Larks Park and that the mill levy be brought down to 25 mills.

Vote: Ayes: Ron Mellick

Christopher Channell

Allan Lytton

No: Troy Hickman

8. CITY MANAGER AGREEMENTS: A. Agreement with Randall L. Gustafson

Hays City Manager Randy Gustafson announced his retirement on June 7, 2007. The retirement was to be effective December 31, 2007. On June 28, 2007, the City Commission named Toby Dougherty as his successor. The reason the City Manager announced his retirement six months before the effective date was to allow the Commission ample time to conduct a search for his replacement if it was deemed necessary. Since no search was conducted, it was determined to be mutually beneficial to both the City Manager and the City Commission to end the City Manager's contract early.

Ron Mellick moved, Allan Lytton seconded, that the Agreement between the City of Hays and Randall L. Gustafson be approved.

Vote: Ayes: Troy Hickman
Ron Mellick
Christopher Channell
Allan Lytton

B. Addendum to Employment Agreement with Toby R. Dougherty: The addendum to the Employment Agreement with Toby Dougherty amends the effective date of the current contract to August 1, 2007.

Christopher Channell moved, Allan Lytton seconded, that the Addendum to Employment Agreement with Toby R. Dougherty be approved.

Vote: Ayes: Troy Hickman
Ron Mellick
Christopher Channell
Allan Lytton

9. REPORT OF THE CITY MANAGER: City Manager Randy Gustafson made some parting comments as this is was his last Commission meeting before retiring.

10. COMMISSION INQUIRIES AND COMMENTS: Commissioners Channell and Mellick wished the City Manager the best of luck in his retirement.

The meeting was adjourned.

Submitted by: _____

City Clerk