

MINUTES OF A MEETING
OF THE GOVERNING BODY OF THE
CITY OF HAYS, KANSAS
HELD ON JULY 27, 2006

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, July 27, 2006 at 7:30 p.m.

Roll Call: Present: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Kent Steward

Chairperson Billinger 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 13, 2006; the minutes stand approved as written.

3. FINANCIAL STATEMENT: Finance Director/City Clerk Mark Loughry reported that sales tax collections dedicated to the General Fund are up \$46,500 or 10.97% for the same time period in 2005. For the year, General Fund sales tax collections are up a weighted 5.68%. Investments on June 30, 2006 totaled \$36,300,000, which is an increase of \$8,000,000 over May 2006. This increase is mainly due to the issuance of General Obligation bonds. Interest due at maturity on current investments totals \$1,478,765, which is an increase of \$332,233 over May 31, 2006. In June, the Finance/City Clerk's Office invested \$12,000,000 of maturing certificates of deposit and bond proceeds with a weighted average interest rate of 5.17%.

Kent Steward moved, Troy Hickman seconded, that the Financial Statement for the month of June 2006 be approved.

Vote: Ayes: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Kent Steward

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: There were no items on the consent agenda.

NEW BUSINESS

6. 2007 BUDGET PRESENTATION, PUBLIC HEARING AND APPROVAL

OF BUDGET: Toby Dougherty, Assistant City Manager, reviewed the proposed 2007 Budget via a PowerPoint presentation. It is projected that the mill levy for 2007 will be 24.29 mills, which is one-tenth under what was proposed for 2006 prior to the adjustment made by the Ellis County Clerk in October 2005 during the final evaluation process. It can be expected that the 24.29 mill levy for 2007 will be adjusted down by .45 mills to 23.84 after the final evaluation process is completed by the Ellis County Clerk in October 2006.

The excess unreserved fund balance is expected to be \$2,169,000. \$302,000 of that has been budgeted to buy down the bond and interest levy and the remainder has been budgeted for financial policy projects.

Chairperson Billinger opened the public hearing to hear comments on the 2007 Budget. There were no comments.

Henry Schwaller IV moved, Troy Hickman seconded, that the 2007 Budget be approved as presented.

Henry Schwaller amended his motion to allocate an additional \$200,000 from the excess unreserved fund balance and apply those monies to buy down the bond and interest levy.

Troy Hickman consented to the amended motion.

Commissioner Schwaller stated the increase in the levy for bond and interest is approximately \$807,000. Part of that will be bought down by using

\$302,000 of the unreserved fund balance. He feels that it would be prudent to allocate additional funds to buy down the levy.

The City Manager stated that it would not present any great difficulty by allocating an additional \$200,000 out of the of the unreserved fund balance to lower the levy on the bond and interest fund.

Vote: Ayes: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Kent Steward

7. OVERLAND PROPERTY GROUP, LLC – RESOLUTION OF SUPPORT:

Overland Property Group, LLC has obtained a purchase option for property located in the north half of Block 3, Santa Fe Addition to the City of Hays for the purpose of developing affordable multi-family apartment housing. It is required by the Kansas Housing Resources Corporation that a Resolution of Support be submitted with their application for the construction of up to 48 apartments.

Commissioner Schwaller stated he had a conflict of interest and left the Commission Chambers.

Troy Hickman moved, Kent Steward seconded, that Resolution No. 2006-012, being a resolution supporting and approving the development of affordable housing in the City of Hays, be approved.

Virgil Hamm, 2910 Barclay, stated that he felt it was unfair to the local landlords to bring more subsidized housing to Hays. He does not feel Hays needs any more housing; there are plenty of empty housing units in Hays. The Uniplace Apartments on the Fort Hays State University campus are not even full.

Galen Romme, local realtor representing Overland Property Group, stated that regular, full-time college students will not be eligible for this type of housing. Only under certain situations will part-time students be accepted. This type of housing is not really subsidized housing; there is a funding mechanism in place for this developer to use a tax credit program.

Commissioner Steward commented that he understands Mr. Hamm's concerns, however, there are hundreds of available jobs in our community and there is a pressing need to create this type of housing in order to attract outside people to our community to fill these jobs.

Jack Curtis, 2905 Cottonwood Lane, stated he does not disagree with the project; however, he is concerned about the project changing its nature from affordable housing to student housing. There are restrictions about renting to full-time students, but are there any for part-time students? Anything less than 12 credit hours a semester is considered part-time.

Sue Rouse, United Way administrator, stated that there are a number of people in our community already looking for this type of housing. There are people who are really struggling to make ends meet; they need some type of support such as housing where rent is based on their income.

Chairperson Billinger called for the vote.

Vote: Ayes: Wayne Billinger

Troy Hickman

Kent Steward

Not Voting: Henry Schwaller IV

8. FEDERAL AVIATION ADMINISTRATION (FAA) GRANT OFFER: The City of Hays has received a grant offer in the amount of \$50,424 from the Federal Aviation Administration to pay for 95% of the cost of improvements at the Hays Regional Airport. The City's portion of the cost will be \$2,654. The grant offer is for preliminary, design, and bidding services for the reconstruction of a portion of the existing terminal apron.

Troy Hickman moved, Kent Steward seconded, that grant offer AIP 3-20-0028-18 from the Federal Aviation Administration in the amount of \$50,424 for the reconstruction of a portion of the existing terminal apron at the Hays Regional Airport be approved.

Vote: Ayes: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Kent Steward

9. 41st STREET ECONOMIC DEVELOPMENT GRANT – PHASE II: City staff is proposing the submission of Phase II of an Economic Development Grant Application for the improvement of 41st Street from Vine Street to Commerce Parkway. Phase II includes the improvement of 41st Street from Canterbury to Commerce Parkway at an estimated cost of \$2.7 million.

Troy Hickman moved, Kent Steward seconded, that the Mayor be authorized to sign a narrative to be included in an Economic Development Grant Application for improvements to 41st Street north of I-70.

Vote: Ayes: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Kent Steward

10. PRE-ANNEXATION AGREEMENT – 1104 CANTERBURY: The owner of the property at 1104 Canterbury Drive has requested to tie a single family residence onto the City of Hays public water system that extends along Canterbury Drive. A pre-annexation agreement has been drawn up to allow the connection to occur.

Henry Schwaller IV moved, Troy Hickman seconded, that the Pre-Annexation Agreement allowing for City water services at 1104 Canterbury Drive be approved.

Vote: Ayes: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Kent Steward

11. LAND MANAGEMENT RFP FOR R-9 RANCH: The City requested Request for Proposals and received one proposal, which was from Farmers National Company.

City Attorney John Bird reviewed the proposal with the Commissioners.

Kent Steward moved that the vote on the proposal be tabled until he had more time to study it.

There was no second to the motion.

Troy Hickman moved that the proposal from Farmers National Company for land management of the R-9 Ranch be approved.

There was no second to the motion.

Commissioner Schwaller requested that Farmers National make a presentation at the next work session.

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

13. COMMISSION INQUIRIES AND COMMENTS: Commissioner Steward commented that if the City was trying to sell the R-9 Ranch, the Commissioners would not be considering approval of a proposal for land management of R-9.

There were no other comments.

The meeting was adjourned.

Submitted by: _____

City Clerk

