

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON SEPTEMBER 23, 2010

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, September 23, 2010 at 6:30 p.m.

Roll Call: Present: Christopher Channell
Troy Hickman
Henry Schwaller IV
Ron Mellick

Absent: Barbara Wasinger

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

2. MINUTES: There were no additions or corrections to the minutes of the regular session held on September 9, 2010; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Finance Director Kim Rupp stated that the portfolio of certificates of deposit on August 31, 2010 totaled \$36,900,000 with a weighted average interest rate of .5383%. The total balance of the Money Market account on August 31, 2010 was \$2,250,000 with a current yield of .45%. Total investments are down \$3,050,000 from a year ago. This reduction in the investment portfolio is attributable to the early retirement of bonds as well as sports complex expenditures.

Month-to-date sales tax collections for the Sports Complex are \$231,952, which is an increase of \$45,245 when compared to last year. Year-to-date collections are \$1,684,137 and year-to-date expenditures are \$3,817,104. Inception-to-date collections total \$3,201,283 and inception-to-date expenditures total \$4,307,566. As planned, the City is now funding these expenditures out of idle cash to save on the interest and issue expense of doing a bond. Projections indicate it will likely be the first quarter of 2012 before sales tax collections catch

up. This projection also takes into account a maintenance budget beginning in 2011.

General Fund sales tax collections rebounded in August 2010 with a month-to-date increase of \$112,538. Year-to-date collections are at \$4,126,172 for the General Fund or down -.09% or -\$3,629 from a year ago. The six month running average on sales tax collections is up .03%.

Ron Mellick moved, Henry Schwaller IV seconded, that the Financial Statement for the month of August 2010 be approved.

Vote: Ayes: Christopher Channell
Troy Hickman
Henry Schwaller IV
Ron Mellick

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: Henry Schwaller IV moved, Troy Hickman seconded, that Resolution No. AR-09, Series of 2010, being a resolution expressing appreciation to Alyssa Dechant for opening a new business (Styles Dance Centre) in the City of Hays, be approved.

Vote: Ayes: Christopher Channell
Troy Hickman
Henry Schwaller IV
Ron Mellick

NEW BUSINESS

6. 2010 WASTEWATER TREATMENT PLANT STUDY PHASE II

ENGINEERING REPORT: In 2006, Burns and McDonnell performed Phase I of a wastewater treatment study. The study's tasks were:

- Conduct a baseline assessment of existing wastewater treatment facilities
- Review and identify future regulatory requirements that might impact the Hays Wastewater Treatment Plant (WWTP)

- Evaluate the performance and efficiencies of the existing WWTP and conduct a survey of similar WWTPs as a benchmark
- Identify potential improvements to improve energy conservation, process stability, reduce operation and maintenance costs, and other issues
- Identify potential wastewater treatment alternatives to improve treatment performance, reduce operation and maintenance costs, comply with future regulatory requirements, and implement a groundwater recharge program with the Big Creek aquifer

Based on the findings and recommendations provided by Phase I of the study, the City implemented some of the report's recommendations. In 2009, the City decided to complete Phase II of the study, which included the following tasks:

- Evaluate the potential use of advanced wastewater treatment technologies for the City's sustainability program
- Complete a nutrient removal feasibility study as required by the WWTP's National Pollutant Discharge Elimination System (NPDES) permit

The City of Hays Wastewater Treatment Plant is regulated by Kansas Department of Health and Environment (KDHE) regulations. The City's permit will expire in March 2011. KDHE placed a requirement on the Wastewater Treatment Plant's NPDES permit to conduct a nutrient removal feasibility study to determine the economic impact to the City if KDHE adds effluent total nitrogen and phosphorus goals/ limits to the permit at the next permit renewal.

Bill McAllister and Brian Meyer, representing Burns and McDonnell, reported on the findings of Phase II of the study, which must be submitted to KDHE by February 2011. The study also includes a recommended plan of action and estimated timeline for the City to consider, assuming KDHE will add effluent nutrient limits to the WWTP permit at the next permit renewal, which is expected to occur in March 2014. The cost for implementing nutrient removal is estimated to be \$19.4 to \$29.4 million, which would raise monthly sewer rates from the current mean residential fee of \$12.13 to somewhere between \$41 to \$70.

City Manager Toby Dougherty stated that KDHE is taking these costs and how a rate increase would affect residents into consideration before they set a standard. Right now there is no standard; there is a lot of uncertainty.

Mr. McAllister stated that at this time, no action needs to be taken other than submitting the Nutrient Removal Feasibility Study to KDHE by February 2011. The information presented this evening is to inform the citizens of Hays and the City Commissioners of what will be taking place in wastewater treatment in the upcoming years.

7. CITY ACCEPTANCE OF VETERANS PARK: The American Legion Post #173 would like to donate Veterans Park, located west of the American Legion building along Haney Drive, to the City of Hays. The only stipulation is that they be allowed to use it for their ceremonies on Veteran's Day and for other veteran and military functions.

Ron Mellick moved, Henry Schwaller IV seconded, that the donation of Veterans Park from the American Legion Post #173 be accepted, contingent upon the City Manager and City Attorney's approval and review of the title documents.

Vote: Ayes: Christopher Channell

Troy Hickman

Henry Schwaller IV

Ron Mellick

8. CITY OF HAYS/NORTH CENTRAL KANSAS TECHNICAL COLLEGE (NCKTC) RANGE HOUSE/TRAINING FACILITY PROJECT: The City of Hays entered into an agreement with NCKTC May 14, 2009 which allowed NCKTC the use of the building and grounds at the old Army Reserve Center on south Main. In return, NCKTC was to provide donated labor and/or construction expertise for City projects. NCKTC staff reviewed the City's project list and identified a new range house/training facility as best suited for NCKTC. This project would meet the majority of the curriculum standards required of the NCKTC program. The City costs would be for materials only, with most labor expenses donated by the students and instructors from NCKTC. This one-time opportunity would assist

NCKTC in meeting their requirements while saving the City \$50,000 - \$60,000 in labor costs if built this year.

Ron Mellick moved, Henry Schwaller IV seconded, that the plan identified as Base II be approved, with the exception that the fireplace and the wood ceiling in the great room be eliminated, at a cost not to exceed \$64,550.

Vote: Ayes: Christopher Channell

Troy Hickman

Henry Schwaller IV

Ron Mellick

9. AWARD OF BID – CITY HALL EMERGENCY GENERATOR

REPLACEMENT: The current City Hall emergency generator is too large for this application and creates a noise nuisance. This equipment is a trailer mounted unit intended for emergency use at the water and wastewater treatment plants. It was semi-permanently installed at City Hall when the old generator failed in 2005. The City Manager desires to replace this generator with a smaller and quieter unit designed for this application. The trailer mounted generator will be returned to the City's equipment fleet for emergency power use.

Troy Hickman moved, Ron Mellick seconded, that the bid submitted by Don's Electric & Rewind, Inc. for the purchase and installation of a replacement City Hall emergency generator, for a total price of \$27,500, be accepted.

Vote: Ayes: Christopher Channell

Troy Hickman

Henry Schwaller IV

Ron Mellick

10. 41st STREET RECONSTRUCTION DESIGN AGREEMENT:

The Federal Funding Program will cover 80% of construction and inspection costs for the 41st Street Reconstruction Project. Design engineering, right-of-way acquisition, and other costs will be paid 100% by the City, which will be funded through the issuance of General Obligation Bonds.

Ron Mellick moved, Henry Schwaller IV seconded, that the City Manager be authorized to enter into an agreement with HWS/Alfred Benesch & Company, at a cost of \$230,220.98, for design of the 41st Street Reconstruction Project.

Vote: Ayes: Christopher Channell

Troy Hickman

Henry Schwaller IV

Ron Mellick

11. AWARD OF BID FOR UTILITY TRACTOR WITH LOADER: Troy Hickman moved, Ron Mellick seconded, that the low bid submitted by Radke Implement, in the amount of \$36,000, for the purchase of a Kubota L5740 utility tractor with loader, be accepted.

Vote: Ayes: Christopher Channell

Troy Hickman

Henry Schwaller IV

Ron Mellick

12. SPORTS COMPLEX NAMING RIGHTS FOR QUADS AND SOCCER FIELDS – EAGLE COMMUNICATIONS PROPOSAL: The City Commission tabled this issue at the September 9, 2010 meeting.

Troy Hickman moved, Ron Mellick seconded, that the bid submitted by Eagle Communication for naming rights at the sports complex be rejected because it did not conform to the original request.

Commissioner Schwaller stated that the City appreciated Eagle Communications coming forward with an offer; however, their monetary donation amount in the bid was below what was requested in the bid request. Hopefully, Eagle will submit a proposal in the 2nd round.

Vote: Ayes: Christopher Channell

Troy Hickman

Henry Schwaller IV

Ron Mellick

13. REPORT OF THE CITY MANAGER: Assistant City Manager Paul Briseno presented a monthly progress report of various city-related activities and projects.

14. COMMISSION INQUIRIES AND COMMENTS: Commissioner Schwaller stated he was contacted by an individual who would like the Commissioners to revisit the peddler/solicitors ordinance that was repealed in 2009. He would like to come to a work session and share a personal experience with the Commissioners. Commissioner Schwaller requested an update on the Skyline Draw Project.

15. EXECUTIVE SESSION: Troy Hickman moved, Henry Schwaller IV seconded, that the Governing Body recess to executive session at 7:40 p.m. for 10 minutes to discuss possible property acquisition. The executive session included the Commissioners, the City Manager, the Assistant City Manager, and the City Attorney. K.S.A. 75-4319 authorizes the use of executive session to discuss property acquisition.

Vote: Ayes: Christopher Channell
Troy Hickman
Henry Schwaller IV
Ron Mellick

Chairperson Channell called the meeting back to order at 7:50 p.m. He stated no action was taken during executive session.

The meeting was adjourned.

Submitted by: _____

City Clerk