

MINUTES OF A MEETING OF THE  
GOVERNING BODY OF  
THE CITY OF HAYS, KANSAS  
HELD ON  
NOVEMBER 23, 2004

**1. CALL TO ORDER BY CHAIRMAN:** The Governing Body of the City of Hays, Kansas met in regular session on Tuesday, November 23, 2004 at 7:30 p.m.

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

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

**2. MINUTES:** There were no corrections to the minutes of the regular meeting held on November 9, 2004; they stand approved as written.

**3. FINANCIAL STATEMENT:** Acting Finance Director/City Clerk Mark Loughry reported that sales tax collections to date totaled \$1,610,222 which is a 5.56% increase over the same time period last year.

Wayne Billinger moved, Troy Hickman seconded, that the Financial Statement for the month of October 2004 be approved.

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

**4. CITIZEN COMMENTS:** There were no comments.

**5. CONSENT AGENDA:** Ellis County/City of Hays Transportation Committee: The Transportation Committee is meant to be an ad-hoc committee composed of six members; three appointed by the City Commission and three appointed by

the Ellis County Commission. The mission of the Committee is to examine public transportation for the citizens of Hays and Ellis County.

**A.** Henry Schwaller IV moved, Kent Steward seconded, that the Transportation Committee Mission Statement/Charge be approved.

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

**B.** Henry Schwaller IV moved, Troy Hickman seconded, that approval of appointments to the Committee be tabled to the December 9<sup>th</sup> Commission meeting so that possible members could be contacted first.

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

### **NEW BUSINESS**

**6. 2003 AUDIT PRESENTATION:** Ken Beran and Melissa Romme, representing Adams, Brown, Beran and Ball Chartered Certified Public Accountants, reported on the 2003 Audit. The firm audited the primary government financial statements of the City for the year ending December 31, 2003.

Henry Schwaller IV moved, Wayne Billinger seconded, that the 2003 Audit be accepted as presented by Adams, Brown, Beran and Ball.

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

**7. ENERYSYS, INC. – EMPLOYMENT, INVESTMENT AND PAYMENT IN LIEU OF TAXES AGREEMENT:**

In 2000, the City of Hays gave EnerSys, Inc. authorization to issue up to \$35 million in Industrial Revenue Bonds (IRB), with an accompanying property tax abatement and approval of an “Employment, Investment and Payment in Lieu of Taxes Agreement”. This agreement required EnerSys to average 300 employees over a 10-year period. For the years over 300 employees, the company received employment credits. EnerSys representatives are requesting that the “In Lieu of Taxes Agreement” be amended.

A cost-benefit analysis indicates that the estimated total economic impact of EnerSys on the economy of Hays for 2000 – 2009 is \$172,004,000. The one-year estimated average economic impact is \$17,200,000. A total of 396 full-time equivalent jobs were created and/or maintained in Hays as a result of the presence of EnerSys. The economic impact on Hays per employee of EnerSys is estimated at \$73,960 per year. The annual impact per \$1,000,000 of investment is \$770,000 and the economic activity per \$1.00 of abated taxes is \$59.31.

The new Agreement sets the employment level at 165 average full-time equivalent employees per year on and after January 1, 2003. Carry forward credits earned prior to January 1, 2003 will be reduced by one-third to recognize the reduced tax exemption period.

Kent Steward moved, Henry Schwaller IV seconded, that the First Amended Employment, Investment and Payment in Lieu of Taxes Agreement with EnerSys, Inc. in reference to tax exemptions, be approved.

Vote: Ayes: Sunell Koerner

Kent Steward

Wayne Billinger

Henry Schwaller IV

Troy Hickman

**Agenda Item No. 12 was discussed next.**

**12. ARCHITECT SELECTION PROCESS-CONVENTION & VISITORS**

**BUREAU (CVB) BUILDING:** Two proposals were accepted through a Request for Proposal process for selection of an architect to create conceptual designs, architectural plans, and construction estimates for an office building located at 27<sup>th</sup> and Vine Street housing the Hays Convention & Visitors Bureau, the Hays Area Chamber of Commerce, the Ellis County Coalition for Economic Development and a community Visitors Information Center. Staff recommended the City contract with Stecklein and Brungardt Architects for an approximate fee of \$67,500.

Henry Schwaller IV moved, Wayne Billinger seconded, that the proposal from Brungardt and Stecklein for an approximate fee of \$67,500 be accepted.

Vote: Ayes: Sunell Koerner

Kent Steward

Wayne Billinger

Henry Schwaller IV

Troy Hickman

**8. SALE OF HANGAR F-4 AT THE HAYS REGIONAL AIRPORT:**

Kent Steward moved, Wayne Billinger seconded, that the sale of Hangar F-4 at the Hays Regional Airport from Clifford Edwards to Glen Teel for the price of \$17,500 be approved and that a lease agreement with Glen Teel effective December 1, 2004 be approved.

Commissioner Hickman was out of the room during the vote.

Vote: Ayes: Sunell Koerner

Kent Steward

Wayne Billinger

Nay: Henry Schwaller IV

**9. HANGAR A-8 LEASE EXTENSION AT THE HAYS REGIONAL AIRPORT:**

On October 1, 2002, a five-year lease agreement with Carl Newman was entered into for Hangar A-8 in exchange for improvements to be made to the hangar. Those improvements were not completed primarily due to the fact that the installation of the overhead door was not done in a timely manner. The

improvements were to have been completed by October 2003, but were not finished until October 2004. Dr. Newman is requesting an extension to his lease.

Henry Schwaller IV moved, Wayne Billinger seconded, that an Addendum to Hangar Rental Agreement with Dr. Carl Newman be approved.

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

**10. 41<sup>st</sup> STREET KANSAS DEPARTMENT OF TRANSPORTATION (KDOT)**

**AGREEMENT:** KDOT has submitted a Letter Agreement which details the terms for allowing the 41<sup>st</sup> Street portion of the System Enhancement Project to be constructed as part of the proposed Home Depot Development. The Agreement also allows for the construction of temporary signal lights at the intersection of 43<sup>rd</sup> and Vine Street.

Wayne Billinger moved, Troy Hickman seconded, that Letter Agreement No. 84-02 with the Kansas Department of Transportation be approved.

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

**11. GENERAL HAYS ROAD SUPPLEMENTAL AGREEMENT:**

KDOT has submitted a Supplemental Agreement to the previous Agreement for the construction of General Hays Road from 22<sup>nd</sup> Street to Cody. The Supplemental Agreement increases KDOT's maximum amount of participation from \$67,000 in the original Agreement to \$87,000 in the Supplemental.

Wayne Billinger moved, Troy Hickman seconded, that the Supplemental Agreement with the Kansas Department of Transportation for the construction of General Hays Road from 22<sup>nd</sup> Street to Cody be accepted.

Commissioner Schwaller stated he will not be voting due to a conflict of interest.

Vote: Ayes: Sunell Koerner

Kent Steward

Wayne Billinger

Troy Hickman

Not Voting: Henry Schwaller IV

**13. GENERAL OBLIGATION BOND ORDINANCE:** This Ordinance authorizes the issuance and delivery of \$2,445,000 taxable General Obligation Economic Development Bonds for what has been termed locally as the Home Depot Project. Griffin-Kubick, Chicago, submitted the lowest bid of 5.291936%. Home Depot has signed an unconditional guarantee for repayment of the Bonds.

Commissioner Steward stated that he has three objections; it is not the proper role of government to side with one business against other businesses, it is inappropriate for the nation's second largest retailer to ask for handouts from taxpayers, and he feels this project would have happened without the City giving Home Depot incentives.

Commissioner Schwaller stated that he is in favor of the project because the majority of the people in Hays are for it. Additionally, the City will be collecting more sales tax which benefits every homeowner in the community. He does agree that it will hurt the small business owner and that disturbs him, but most of the citizens want this store in our community. The net gain will be tremendous.

Henry Schwaller IV moved, Troy Hickman seconded, that Ordinance No. 3665, being an Ordinance authorizing the issuance and delivery of \$2,445,000 principal amount of taxable General Obligation Economic Development Bonds, Series 2004-A, of the City of Hays, Kansas; providing for the levy and collection of an annual tax and special assessments for the purpose of paying the principal of and interest on said Bonds as they become due; and making certain covenants with respect thereto, be approved.

Vote: Ayes: Wayne Billinger

Henry Schwaller IV

Troy Hickman

No: Sunell Koerner

Kent Steward

**14. GENERAL OBLIGATION BOND RESOLUTION:** This Resolution prescribes the form and details of and authorizes the delivery of \$2,445,000 taxable General Obligation Economic Development Bonds for what has been termed locally as the Home Depot Project.

Wayne Billinger moved, Henry Schwaller seconded, that Resolution No. 2004-491, being a Resolution prescribing the form and details of and authorizing the delivery of \$2,445,000 principal amount of taxable General Obligation Economic Development Bonds, Series 2004-A, of the City of Hays, Kansas, previously authorized by Ordinance No. 3665 of the City; and making certain covenants with respect thereto, be approved.

Vote: Ayes: Sunell Koerner

Kent Steward

Wayne Billinger

Henry Schwaller IV

Troy Hickman

**15. REPORT OF THE CITY MANAGER:** The City Manager had no additional information to report.

**16. COMMISSION INQUIRIES AND COMMENTS:** Commissioner Hickman asked about the Traffic Study recommendations.

City Manager Gustafson stated the Commission will receive the report on the final phase of the Traffic Study in December. The Public Works Department will be reporting on the work done as recommended in the second phase of the study sometime in 2005.

Commissioner Schwaller requested the Commission discuss the possibility of changing the traffic signal at 13<sup>th</sup> and Canterbury to allow for protective left turns for east and west bound traffic.

Commissioner Schwaller stated he would like the Commission to discuss the striping of the streets on Ash and Fort Street. He does not feel the intended purpose is being fulfilled.

City Manager Gustafson stated the striping was an experiment; the traffic consultant will appear before the Commission in December to discuss the final phase of the traffic study.

Thereupon the Governing Body adjourned.

Submitted by: \_\_\_\_\_

Acting City Clerk