

MINUTES OF A MEETING
OF THE GOVERNING BODY OF THE
CITY OF HAYS, KANSAS
HELD ON DECEMBER 22, 2005

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, December 22, 2005 at 7:30 p.m.

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

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 December 8, 2005; the minutes stand approved as written.

3. FINANCIAL STATEMENT: City Manager Randy Gustafson reported that year-to-date sales tax collections for the General Fund totaled \$2,064,213, which is an increase of 4.52% over the same timeframe in 2004. The Budget Stabilization fund year-to-date total is \$2,495,314. Sewer service charges increased \$41,828 and water sales increased \$53,788. Interest received on investments for all funds increased by \$163,224 over the same timeframe in 2004.

Wayne Billinger moved, Troy Hickman seconded, that the Financial Statement for the month of November 2005 be approved.

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

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: Wayne Billinger moved, Troy Hickman seconded, that the following Cereal Malt Beverage Licenses for 2006 be approved:

Casey Retail Company	1301 Canterbury Drive 1600 East 27 th St.
Cerv's	2722 Hall St. 2701 Vine St.
China Garden	2503 Vine St.
Continental Development	3505 Vine St.
Convenience Xpress	335 West 8 th St.
Diamond Shamrock Convenience	1000 East 41 st St.
Dillon Stores	27 th & Hall St. 1902 Vine St.
Five Star Amoco	1300 Vine St.
Golden Ox Truck Stop	3610 Vine St.
Hays North Amoco	3601 Vine St.
Kabredlo's – Cenex	1601 Main St.
Kwik Shop	1301 Vine St.
Larks Park	4 th & Oak St.
Love's Country Store	2500 Vine St.
Pizza Hut	2102 Vine St.
Southside Convenience	703 Vine St.
Taco Shop	333 West 8 th St.
Tobacco 4 Less	717 Vine St.

Wal-Mart Supercenter

4301 Vine St.

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

NEW BUSINESS

6. COOPERATION AGREEMENT WITH FORT HAYS STATE UNIVERSITY: A

Kansas state statute allows for University police departments to assist other agencies when criteria are met or when a request for assistance is made. It would be mutually advantageous for the City of Hays and Fort Hays State University (FHSU), if University police officers would respond to calls in areas populated predominantly by students and University personnel in any area within the city limits, without first being requested to do so by the City of Hays. Pursuant to K.S.A. 22-2401a, if this request is agreed to, it must be approved by the Governing Body of the City of Hays, Kansas, and by the Chief Executive Officer of the University. This agreement has been reviewed and approved by the legal departments of both the City and FHSU.

Barbara Wasinger moved, Troy Hickman seconded, that the agreement between the City of Hays and Fort Hays State University for shared police services involving areas predominantly populated by students and University personnel be approved.

Vote: Ayes: Wayne Billinger
Troy Hickman
Barbara Wasinger
Not Voting: Kent Steward
Henry Schwaller IV

7. ANIMAL SHELTER AGREEMENT FOR 2006: The City of Hays and the Humane Society of the High Plains are currently under contract for animal shelter services for 2005. The Humane Society expressed the desire to exercise their option of opening the contract for review and negotiation for 2006. The financial compensation package agreed upon is a “pay for services” proposal. Based on 2005 statistics, the cost for 2006 animal shelter services should be under \$41,000.

Henry Schwaller IV moved, Wayne Billinger seconded, that the agreement with the Humane Society of the High Plains for animal shelter services for 2006 be approved.

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

8. FIRE DEPARTMENT OPERATIONS PRESENTATION: Fire Chief Gary Brown gave a presentation in reference to Fire Department operations. The purpose of the presentation was to brief the City Commission about standard staffing and deployment of Fire Department resources in response to emergency calls for service.

9. LARKS PARK LEASE AGREEMENT: The current contract with Fort Hays State University for Larks Park operation ends December 31, 2005. Staff recommended extending the contract with Fort Hays State University for an additional five years. The contract does include an annual review process. The contract does not include any capital improvement provisions. Capital improvement items will be discussed at the January 5, 2006 work session. Staff recommended approval of the contract.

Wayne Billinger moved, Barbara Wasinger seconded, that the lease agreement with Fort Hays State University in reference to the Larks Park baseball facility be approved.

Commissioner Hickman stated he would vote not to approve the agreement. He has been an advocate of turning Larks Park over to the University for quite some time.

Vote: Ayes: Wayne Billinger

Barbara Wasinger

No: Troy Hickman

Not Voting: Kent Steward

Henry Schwaller IV

The motion passed because the majority of those present and voting constituted a quorum.

10. MEMORIAL GARDENS CEMETERY ENTRANCE GATE/ARCHWAY: An amount of \$18,200.00 is budgeted in the 2005 Budget, and an amount of \$20,000.00 is budgeted in the 2006 Budget for the construction of a gate/archway at Memorial Gardens Cemetery. Staff requested approval for \$4,900.00 worth of materials relating to the installation of footings and \$8,954.00 to Leon's Welding for metal work for the gate/archway and wing panel sections from the 2005 Budget. The limestone purchase, including labor and materials for installation from Gnad Masonry Construction, is \$24,310.00. Staff recommended that a partial purchase order be approved to Gnad Masonry for \$4,310.00 in remaining 2005 funds and prepare a seconded purchase order to Gnad Masonry for \$20,000.00 after the first of the year to cover the remaining costs. The total project cost is \$38,164.00 or \$36.00 under the 2005 and 2006 budgeted amount.

Henry Schwaller IV moved, Wayne Billinger seconded, that a purchase order to Leon's Welding for \$8,954.00 be approved, and further that purchase orders totaling \$4,900.00 for materials be approved, and a partial purchase order to Gnad Masonry for \$4,310.00 be approved for the gate/archway at Memorial Gardens Cemetery.

Vote: Ayes: Kent Steward

Wayne Billinger

Troy Hickman

Barbara Wasinger

Henry Schwaller IV

11. WILSON POOL REPAIRS: City staff proposed that materials be purchased at a cost of \$11,401.75, to be installed by City staff, for the chlorination/filtration system at Wilson Pool. In conjunction with the materials purchased, staff recommended a sole source purchase and installation of a chlorination system to G. Farney and Associates for \$7,825.00 and a filter media inspection and possible change for \$1,000.00 to G. Farney and Associates. Additionally, staff requested approval to send out Request for Proposals for a new pump and motor, including installation, for approximately \$12,900.00. Staff estimates that a savings of \$21,723.25 may be realized if the majority of these items are installed by City staff. In addition to the aforementioned items, several building repair needs still exist. Staff recommended obtaining quotes for building repairs as listed on the February 15, 2005 memorandum. The building repair costs are estimated to be \$59,100.00 for a total Wilson Pool Project cost of \$92,226.75.

Troy Hickman moved, Wayne Billinger seconded, that staff's recommendations for repairs to Wilson Pool be approved.

Commissioner Wasinger stated that she appreciates all the work the Parks Director has done on this project, however, she does not think Wilson Pool should be repaired, so she will be voting no.

Chairperson Steward commented that even though he initially voted not to repair Wilson Pool, he feels that since the project was approved by the majority of the Commission, he will vote to approve staff's recommendations.

Commissioner Billinger commented that the pool was in such a state of disrepair because of a lack of a maintenance schedule, however, the Parks Director has assured the Commission that a maintenance schedule will be adhered to in years to come.

Vote: Ayes: Kent Steward

Wayne Billinger

Troy Hickman

Henry Schwaller IV

No: Barbara Wasinger

12. BOUNDARY RESOLUTION: As required by State Statute 12-517, the City of Hays must pass a resolution in any year that territory is added to the City that re-defines the corporate limits of the City.

Wayne Billinger moved, Barbara Wasinger seconded, that Resolution No. 2005-031, being a resolution redefining the boundaries or corporate limits of the City of Hays, Kansas, as required by Section 12-517 of Kansas Statutes Annotated, be approved.

Vote: Ayes: Kent Steward

Wayne Billinger

Troy Hickman

Barbara Wasinger

Henry Schwaller IV

13. UNIPLACE, LLC INDUSTRIAL REVENUE BONDS: The Ellis County Commission has taken action to issue Industrial Revenue Bonds (IRBs) to cover construction of and personal property in a building to be used for student apartments. Since this property is located inside the city limits, it is required by State Statute that the City Commission be given the opportunity to approve or deny this request.

City Manager Gustafson stated the City received notice of this process on December 12, 2005. City staff has reviewed the cost benefit analysis and feels that information used in the analysis is flawed. The City Manager recommended that the resolution approving the issuance of IRBs not be approved. He commented that the process could begin again once the appropriate information is used in the cost benefit analysis.

Commissioner Wasinger questioned why these apartments should be getting IRBs when there are many other apartments that have been built and those developers did not receive any financial incentives.

Troy Hickman moved, Barbara Wasinger seconded, that Resolution No. 2005-032, being a resolution approving the issuance by the Board of County Commissioners of Ellis County, Kansas of its taxable variable rate demand

Industrial Revenue Bonds in the aggregate principal amount not exceeding \$5,500,000 to pay the costs of acquiring, constructing, furnishing and equipping a student housing complex facility to be leased to Uniplace LLC, which facility is located within the corporate limits of the City of Hays, Kansas, not be approved.

The City Manager stated that this project does not meet the standards as set out in the City of Hays Economic Development Policy.

Dave Van Doren, representing Uniplace, stated that even though this project is being built by a private developer, it will be turned back to Fort Hays State University once the loan is repaid; it will become University property at that time. The land is leased to the developer until that time. This is not a money making project; it is expected to break even.

City Manager Gustafson stated the concern of the Commission is that they are being asked to approve a resolution issuing industrial revenue bonds with flawed information.

City Attorney John Bird stated that if this Resolution is not approved, it means that Ellis County cannot do the IRB as proposed.

Commissioner Schwaller stated the project is worthwhile, it enhances the campus, and is good for the community, however; this project is in the city limits. This should be a City IRB.

Mr. Van Doren stated that this started out as a Kansas state bond sponsored by Commerce Bank. There were some complications with that, so it was backed off to the county level.

The City Attorney stated that the Ellis County Commissioners probably did not think that what they were doing was a detriment to the City. Nor has the developer done anything wrong. There were some basic false assumptions made and the City should have been advised early on as to what was transpiring.

Chairperson Steward stated that he doesn't think economic development incentives are an entitlement. In this case, it would mean forgiving \$500,000 of taxes for a private developer. The only economic development reason to do that would be because, if it wasn't done, the project would not happen. This project is

already completed. How do you justify giving someone an incentive to do something that they have already done?

Commissioner Wasinger stated that when this project was built, it was with the promise that it would not be in competition with local landlords and developers. Forgiving \$500,000 in taxes seems to be unfair to other landlords.

Commissioner Schwaller commented that IRBs were issued for other housing projects that provided a service to certain sectors of the community. He stated he will vote no this evening, but would consider voting for the IRB once the correct information is used in the cost benefit analysis.

Chairperson Steward called for the vote. He reminded the Commissioners that an “Aye” vote would be to disapprove the resolution.

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

14. COMPREHENSIVE FINANCIAL MANAGEMENT POLICY: The Policy is a statement of objectives and addresses monitoring of the City’s fund balance and reserves, the budgeting process, the Capital Improvement Program, the Debt Management Program and the Fixed Asset Program. The City will have an investment policy for the first time that deals with enterprise fund management. The Policy will also address the City’s accounting and financial reporting, risk management, the procurement process, intergovernmental revenues, economic development. It also provides for a review of the policy over time.

Troy Hickman moved, Wayne Billinger seconded, that the Comprehensive Financial Management Policy for the City of Hays be approved.

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

15. REPORT OF THE CITY MANAGER: The City Manager informed the Commissioners that staff is exploring the option of purchasing natural gas from a different supplier. The City has an opportunity to save \$10,000 to \$12,000 per year by doing so.

16. COMMISSION INQUIRIES AND COMMENTS: There were no inquiries or comments.

17. EXECUTIVE SESSION: There was no executive session.

Thereupon the Governing Body adjourned.

Submitted by: _____

City Clerk