

December 8, 1994

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays met in regular session, Thursday, December 8, 1994, at 7:30 p.m.

Roll Call: Present: Robert Albers

Sharon Leikam

Daniel Rupp

Joseph Glassman

Eber Phelps

2. MINUTES: Sharon Leikam moved, Eber Phelps seconded, that the minutes of the November 22, 1994, regular session, be approved.

Vote: Ayes: Robert Albers

Sharon Leikam

Daniel Rupp

Joseph Glassman

Eber Phelps

3. CITIZEN COMMENTS: There were no comments.

4. COMMISSION INFORMATIONAL MEMORANDUM: Mayor Albers asked the City Manager about the size of the hangar Ray Schlitter is selling. As per the Airport Manager and the Public Works Director's memo, the City Manager recommends that the City not purchase the hangar. It is also recommended that the underground storage tank behind his hangar be removed and any contamination be cleaned up.

5. WATER SUPPLY TASK FORCE REPORT: Lavern Squier, Executive Director of the Ellis County Coalition for Economic Development, gave a lengthy report on the Water Supply Task Force meeting held today, December 8, 1994. The Task Force reviewed the Joint Purchase draft between the City of Hays and the City of Russell. This draft sets down some basic foundation items of agreement between the two cities. Mr. Squier stated that this draft had been presented to the City Council of Russell on December 1st. They were supportive of the concept of the agreement. However, they would like additional time to consider the document. They

did not take any official action.

City Attorney John Bird reviewed the letter he received from the attorney representing the sellers of the R-9 Ranch. This letter indicates the sellers are willing to modify the contract by extending the closing date of the sale to February 1, 1995, if they are notified in writing on or before January 15, 1995, as to whether the City intends to close on the sale. The \$50,000 paid into escrow would not be refunded in the event the contract of sale does not close. If the City does purchase the ranch, the \$50,000 would apply to the purchase price. The earnest money also would not be refunded based upon the quality/quantity of the water, as stated in the previous contract of sale.

Mr. Squier stated that the Task Force voted 6-1 to extend the contract to February 1st, based on the interest savings, negotiating farming practices with the sellers, and clarifying the agreement with the City of Russell.

Mr. Scott Ross, District Commissioner for the Division of Water Resources, explained to the Task Force the change of use process and procedures to be followed if the the ranch is purchased.

6. PURCHASE OF CIRCLE K RANCH: A lengthy debate took place over whether to formally commit to the purchase of the R-9 Ranch tonight or take advantage of the extension offered by the sellers.

Mayor Albers said he was in favor of taking the extension. This will give City staff time of further evaluate and clarify the farming practices.

Commissioner Glassman strongly favored accepting the original contract and not opt for an extension, which he put in the form of a motion, but later withdrew the motion.

Commissioner Rupp asked City Attorney Bird for clarification of advantages and disadvantages of accepting the original contract, which provided for full payment on December 15, 1994. City Attorney Bird said committing to the purchase and actually making payment by December 15 would eliminate any uncertainty as

to what may happen in the future, and avoid any third party interference. The advantage of taking the extension would be to consider and clarify any possible unknown factors that would eliminate the viability of the contract, and to clarify the farming practices. City Manager Zacharias said the City would gain approximately \$15,000 in interest by delaying payment until February 1, 1995.

Commissioner Glassman made a motion, seconded by Commissioner Phelps to accept the extension time contingent upon the contract being signed by both parties with notice given of intent to close February 1, 1994, but withdrew the motion.

Joseph Glassman moved, Eber Phelps seconded, that City staff do the necessary acts to provide for an extension of the contract, as set out in a letter, attached hereto, from Attorney Robert Eisenhauer.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

Joseph Glassman moved, Eber Phelps seconded, that formal notice to purchase the R-9 Ranch be given immediately, contingent upon the extension being executed.

Commissioner Albers said if we commit to closing on February 1, 1995, we will have no leverage on defining farming practices.

Commissioner Rupp ask for a recommendation from the City Manager and the City Attorney. City Attorney Bird said he would recommend taking the option that leaves you with the largest number of alternatives. City Manager Zacharias said he would support the recommendation of the Task Force which was to give notice of purchase by January 15, and payment February 1.

Vote Ayes: Joseph Glassman
Eber Phelps
No: Sharon Leikam
Daniel Rupp
Robert Albers

7. VINE STREET CONTAMINATION: City Manager Zacharias requested the City Commission authorize the drafting of a "letter of intent" to KDHE stating the City's intent to investigate the creation of a consent agreement with KDHE to cleanup the PCE contamination site along a section of Vine Street. This letter would also state the need to have at least six months to further investigate the situation. This action would also hopefully hold off labeling the area a Superfund Site.

Ron Holweger, a property owner within the designated site, appeared before the Commission. He had concerns about the property value of his land and the direction the City Commission was taking.

City Attorney John Bird stated that the City would have a better idea of their course of action in approximately six months. He also stated the City would be doing everything they could to see that property values do not decline in that area due to the contamination.

Daniel Rupp moved, Joseph Glassman seconded, that the City Manager draft a letter to KDHE stating the City's intent to investigate the creation of a consent agreement to cleanup PCE contamination along Vine Street.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

8. RECYCLING: Leroy Rohr, owner of L & R Recycling, reported to the Commission regarding the status of his search for an appropriate location for the expansion of his facility. Mr. Rohr said he is still searching for a site. He would not be able to start the recycling program on January 1, 1995. He is

hopeful that the operation will be on line this spring.

City Manager Zacharias commented that if the recycling program is not operational by this spring, the City should probably re-write the contract with Mr. Rohr.

The City Commission urged Mr. Rohr to continue to pursue the matter so the City of Hays may initiate recycling as soon as possible.

9. WATER WELL LEASES: City Manager Zacharias said in 1992, the City voluntarily increased the payment for Smoky Well lease agreements to be in line with Dakota Well leases. Due to confusion over the legal owners of the Carl Zimmerman property along the Smoky Hill River, the City of Hays did not adjust the water well lease payments on that piece of property in 1992. That conflict has been settled and Mr. Zimmerman is requesting retroactive payments of \$15,000.

Daniel Rupp moved, Sharon Leikam seconded, that retroactive payments of \$250 per well (2) be made to Mr. Zimmerman, minus the legal fees incurred by the City in the amount of \$3,852.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

10. DOWNTOWN GREENSPACE CONTRACT: John Youll, representing Bucher, Willis, & Ratliff Engineering, updated the Commission on the improvements for the Railroad Corridor Project. Kelly Klapp, landscape architect for BWR, presented the design plans for the improvements.

Joseph Glassman moved, Daniel Rupp seconded, that Resolution No. 159, being a resolution authorizing a contract between the City of Hays and KDOT concerning the Union Pacific Railroad Corridor Project, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

11. WILSON POOL RENOVATION: Joseph Glassman moved, Daniel Rupp seconded, that the City of Hays accept the engineering proposal from Larkin and Associates for the Wilson Pool Renovation in the amount of \$11,250.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

12. AUDIT PROPOSALS: Eber Phelps moved, Joseph Glassman seconded, that the committee recommendation to hire Adams, Brown, Beran, and Ball to perform City audit services be approved. The recommendation is to award a one year contract, totaling \$12,900, plus grant work, for auditing services with the option to extend the contract an additional two years depending upon the first year performance.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

13. BUDGET AMENDMENT HEARING: Mayor Albers opened a public hearing in regard to amending the 1994 Solid Waste Budget. Due to the increased tipping fees by the Ellis County Landfill, the Solid Waste Budget will need to be increased from \$474,500 to \$749,500. There being no comments, Mayor Albers closed the public hearing.

Joseph Glassman moved, Sharon Leikam seconded, that the 1994 Solid Waste Budget be increased from \$474,500 to \$749,500.

Vote: Ayes: Robert Albers
 Sharon Leikam
 Daniel Rupp
 Joseph Glassman
 Eber Phelps

14. AIRPORT TEMPORARY NOTES: City Manager Zacharias said that bids for the issuance of \$100,000 in Temporary Notes to finance the next phase of airport improvements were received. The Project is estimate to cost \$702,000 with the FAA providing 90% of the total cost. The Project includes reconstruction of Taxiway F, construction of ARFF/snow equipment building, an ARFF vehicle, and a new front-end loader with snow removal equipment.

Lyle Noordhoek, chairman of the Airport Advisory Board, questioned the Commission regarding the centering of the new taxiway improvement.

City Manager Zacharias state the intent is to center the taxiway between the two rows of hangars.

Bids were received as follows:

Bank IV Wichita, KS	6.00%
Emprise Bank Hays, KS	7.95%
Commerce Bank Kansas City, MO	7.99 %
Sunflower Bank Hays, KS	8.18%
United Missouri Bank Kansas City, MO	8.22%

Eber Phelps moved, Daniel Rupp seconded, that Resolution No. 158, being a resolution authorizing and directing the issu-

ance of taxable temporary notes of the City of Hays, Kansas, in an aggregate principal amount of \$100,000 for the purpose of providing funds to pay the cost of various improvements to the City's Municipal Airport, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

15. HEALTH INSURANCE: City Manager Zacharias reported on the Employee Advisory Health Insurance Committee recommendations concerning health insurance coverage in 1995. He concurs with their recommendations, which are as follows:

1. The City continue the existing program with Positive Care.
2. Change reinsurance carriers from Ohio National to Gerber Insurance Co.
3. Initiate on a trial basis for one year a limited dental coverage plan.

Mr. Zacharias stated the expenditures throughout the year will be closely monitored and if they exceed \$416,000 as of October 31, 1995, the committee will need to make recommendations to reduce expenditures. A minimum of \$250,000 must remain as carry-over for reserves for 1996 coverage. The addition of limited dental coverage is due to the fact that City employees have been successful in keeping their medical bills as low as possible and our partially self-insured program has worked.

Joseph Glassman moved, Daniel Rupp seconded, that the recommendations of the Employee Advisory Health Insurance Committee be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

16. SERVICES UNION CONTRACT: Joseph Glassman moved, Daniel Rupp

seconded, that the Addendum to Agreement Between the City of Hays and Hays Service Employees Local 513, AFL-CIO, being an agreement giving Service Union employees a 2 1/2% cost-of-living salary increase December 18, 1994, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

17. PAY ADJUSTMENT: Sharon Leikam moved, Joseph Glassman seconded, that Resolution No. 160, being a resolution adopting a 2.5% general adjustment in wages for all full-time permanent City employees and the City Manager, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

18. PUSH-PULL BIDS: Daniel Rupp moved, Eber Phelps seconded, that the bid from Western States Construction, Oklahoma City, OK., for a push-pull machine for the Service Department, a Pow-R Mole PD-4, in the amount of \$8,662.08, and a RD 400 SL Directional Receiver and attachments, in the amount of \$3,310.00, be approved.

Vote: Ayes: Robert Albers
Sharon Leikam
Daniel Rupp
Joseph Glassman
Eber Phelps

19. STRATEGIC PLAN IMPLEMENTATION COMMITTEE: Mayor Albers stated that this committee would be formed to be an oversight committee with the long term task of looking at plans and making recommendations to the City Commission regarding budgeted items and projects. \$15,000 from the 1994 Swimming Pool Budget is to be spent in 1995 for professional consultation to assist in the planning for a community recreation complex.

