

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON DECEMBER 14, 1995

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays met in regular session, Thursday, December 14, 1995, at 7:30 p.m.

Roll Call: Present: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

Mayor Leikam declared that a quorum was present and called the meeting to order.

Mayor Leikam welcomed Boy Scout Troop 101, who were in attendance to fulfill a requirement for a merit badge.

2. MINUTES: Eber Phelps moved, Jayne Clarke seconded, that the minutes of the November 21, 1995, regular session, be approved.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

3. CITIZEN COMMENTS: There were no comments.

4. COMMISSION INFORMATIONAL MEMORANDUM: Commissioner Wuertz asked why the Sports Management Group withdrew from the proposed Community Center Consultant Team. Assistant City Manager Linton Bartlett said the original fee proposed by the Consultant Team was \$35,000. However, only \$20,000 was allocated for that particular phase. The Sports Management Group did not wish to provide the services for less money. The firm that will replace them is very qualified, and will provide more services, and stay within the \$20,000 budget.

5. CONSENT ITEMS: There were no consent items for approval.

6. CABLE TV FRANCHISE FEES: Pete Collins, representing Eagle Communications, was present to further discuss a proposed cable

TV franchise fee increase. Mr. Collins presented three rate schedules which included various percentages for franchise fees.

Commissioner Leikam said she has a concern about the franchise fee being directly passed on to the consumer. Mr. Collins said passing franchise fees on to the consumer is traditionally done by most utility companies.

City Attorney John Bird pointed out that Section 11 of the Franchise Ordinance states that the franchise fee may be passed on to the subscriber, but must be shown separately on the bill to the subscriber. He asked Mr. Collins if he would be willing to delete that section from the franchise agreement. Mr. Collins said he could not answer that question at this time.

Commissioner Clarke said the franchise fee is a cost of doing business regardless of whether it is billed separately, or included in the rate structure. In order to make a profit, any company is going to pass the cost on to the consumer.

Daniel Rupp moved, Jayne Clarke seconded, that the franchise fee for Hays Cable TV remain at two percent for basic cable, but increase to five percent for non-basic cable and 3.7 percent for non-basic data transmission activities.

Further discussion took place regarding changes in technology which may affect cable service. The Commission expressed a concern that whatever was decided tonight would be in effect for ten more years. Commissioner Rupp withdrew his motion and Commissioner Clark withdrew her second to the motion. They directed the City Manager to negotiate with Eagle Communications regarding establishing contract openers in three years and again in six years.

7. METER DEPOSIT ORDINANCE: City Manager Zacharias said the proposed ordinance, eliminates the need for customers who previously owned residential property to be required to pay a meter deposit, if they become a tenant of residential property. The customer must have a good credit history with the City of Hays.

Eber Phelps moved, Jayne Clarke seconded, that Ordinance No. 3356, being an ordinance amending Section 28-129 of Article

V Chapter 28, of the Code of Ordinances of the City of Hays, Kansas, as amended by Ordinance No. 3210, as passed on March 8, 1990, and as published on March 15, 1990, be approved.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

8. HEALTH INSURANCE MODIFICATION: City Manager Zacharias reviewed the recommendation from the Employee Health Insurance Committee to join a Preferred Provider Organization. Membership in the PPO could reduce the City's total projected claims liability by \$113,000, keeping total projected costs within the \$563,000 allocated in 1996. Membership in the PPO would be in addition to the elimination of dental coverage beginning January 1, 1996, for City employees.

Commissioner Wuertz commended city employees for working in partnership with the City in regard to the health insurance issue. He said it is gratifying to see that they are aware of the rising health care costs, and recognize that there is a limit to what is affordable by the City.

Jayne Clarke moved, Daniel Rupp seconded, that City staff be directed to prepare contracts for membership in "American Healthcare Alliance" and "Beech Street Corporation", two Preferred Provider Organizations to contain health insurance costs for the City.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

9. PAY PLAN STUDY: City Manager Zacharias said an employee committee has reviewed all proposals submitted for a pay plan consultant. Representatives from both the Kansas League of Municipalities and Ralph Anderson & Associates were interviewed. Based on the proposals submitted, the interviews, and

references, the committee unanimously recommended that Ralph Anderson & Associates be employed to do the study of the City's pay plan and commensurate salary schedule. The total cost of the study is \$12,000. This amount is \$2,000 over the amount set aside in the 1995 Budget, but is within total funds available in 1995 for personnel matters.

Jayne Clarke moved, Errol Wuertz seconded, that Ralph Anderson and Associates be retained to conduct a study of the City's pay plan and salary schedule.

Commissioner Wuertz suggested that the labor market data include comparable positions in private industry in Hays, along with other peer cities.

Commissioner Clarke mentioned that she does not have a problem with the pay for performance plan, and she hoped it would not be eliminated totally. Commissioner Rupp said the merit concept is great in theory, but in reality it is very difficult to administer.

Commissioner Rupp said he has trouble with the concept of comparable wages because we do not have comparable communities. He is opposed to the pay plan because he feels the City can let the market work. If employees are satisfied, they will stay with the City. We have not had much turnover in recent years, so it must be a reflection of satisfied employees.

Vote: Ayes: Sharon Leikam

Eber Phelps

Jayne Clarke

Errol Wuertz

No: Daniel Rupp

10. 1996 SALARY SCHEDULE: Jayne Clarke moved, Errol Wuertz, seconded that Resolution No. 183, being a resolution amending the job classification and salary schedule for City employees, created pursuant to Section 20-4 and Section 20-5 of the Hays Code and Repealing all previous resolutions, motions or actions in conflict therewith, be approved.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

11. BOND ISSUE REFUNDING: City Manager Zacharias said as was discussed at the November 9, 1995 Commission meeting, City staff has reviewed proposals from the City's Financial Advisor, George K. Baum and Company, and also from the team of Bank IV/A.G. Edwards regarding a possible refunding of the City's Water and Sewer Revenue Bonds (\$3,350,000) and the Sales Tax Revenue Bonds (\$3,500,000), both of which were issued in 1992. Because of the potential to reduce the average interest rate on the two bond issues, a refunding would result in a dollar savings to the City of approximately \$385,000 over the life of the bonds.

After reviewing the proposals from the firms mentioned above, City staff is recommending the City proceed with a full refunding of each issue separately by retaining George K. Baum and Company based on a number of considerations:

1. The City in 1994 went through a selection process for a financial advisory firm and selected George K. Baum & Company over a number of other firms including Bank IV. The City is currently under contract with George K. Baum & Company through December 31, 1996, to provide financial advisory services such as the proposed refunding.
2. George K. Baum and Company structured the original bond issues that are now being proposed for refunding.
3. George K. Baum and Company has the most experience and is involved with more municipal bond transactions in the State of Kansas on an annual basis. This is one of the reasons why the decision was made in 1994 to remain with George K. Baum and Company as the City's financial advisor.

4. The City has a long standing relationship with George K. Baum and Company who is familiar with the City's finances and the history of water and sewer fund operations.

City Manager Zacharias noted that George K. Baum and Company will waive their fee for financial advisor for this issue if they are the underwriter.

Marion McMillan, representing Bank IV/A.G. Edwards, presented information which he said indicated that the comparison of the two proposals submitted were not done on an equal basis. He asked for the opportunity to address the Commission at another meeting, having present a representative from A.G. Edwards.

The consensus of the Commission was to table the issue and allow representatives from both firms to speak on the issue.

12. ENGINEERING AGREEMENTS: Eber Phelps moved, Daniel Rupp seconded, that the agreement with Bucher, Willis and Ratliff to perform engineering services associated with the Vine Street Median Project and 41st Street Corridor Study, be approved.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

13. KANSAS DEPARTMENT OF TRANSPORTATION AGREEMENTS: Errol Wuertz moved, Eber Phelps seconded, that the following agreements with the Kansas Department of Transportation, be accepted:

1. ISTEPA Project for landscaping medians on Vine Street.
2. KDOT Agreement to generally accept project activity for road widening and bridge widening on 183 Alternate.
3. KDOT Agreement to provide permanent easements to State for road widening and bridge widening on 183 Alternate.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

14. ANNEXATION OF COUNTRY CLUB ESTATES SIXTH ADDITION: City Manager Zacharias reviewed documents and maps pertaining to the annexation of Country Club Estates Sixth Addition, along with the report from Eric Strauss, who was retained by the City to provide an independent review of this development. This final plat represents the conclusion of a plating process which began 12 years ago. That plat was approved by the Planning Commission and the County Commission at that time. Mr. Strauss recommends the City accept the dedications of public rights-of-way and easements contingent upon giving notice that the Governing Body expects two east-west collector streets, those streets being 33rd and 37th Street, to be built in the area. In addition, Mr. Strauss further recommends the annexation of Blocks 5 and 7.

City Manager Zacharias stated that by accepting this request for annexation, the City will prepare the necessary documentation for annexation, accept the proposed rights-of-way and easements associated with that portion of Country Club Estates, and agree to establish appropriate special assessment districts for the construction of a concrete half street on Columbine.

Eber Phelps moved, Jayne Clarke seconded, that City staff be authorized to prepare the appropriate ordinance to annex a portion of Country Club Estates Sixth Addition. Errol Wuertz stated he would be abstaining from the vote because as a realtor he has had this property listed for sale since 1994.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke

Abstain: Errol Wuertz

Mayor Leikam requested City staff to research other cities

to find out if they have a code of ethics involving the conflict of city employees being involved in ownership and the development of new plats. Kent Laas, Chief Building Inspector, is a partner in the development of Country Club Estates Sixth Addition.

15. AIR COMPRESSOR BIDS: Bids were received for an air compressor to be used by the Public Works Department as follows:

Victor L. Phillips	\$10,738.26
Wichita, Kansas	
Murphy Tractor	\$11,008.31
Great Bend, Kansas	
Ziggs Rent-It Center	\$11,474.27
Hays, Kansas	
S & W Supply Company	\$15,301.49
Hays, Kansas	

Eber Phelps moved, Jayne Clarke seconded, that the bid, totaling \$10,738.26, from Victor L. Phillips Company for a new trailer mounted air compressor for the Public Works Department, be accepted.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz

16. AIRPORT TEMPORARY NOTES: Bids were received for the issuance of \$100,000 Airport Temporary Notes to finance the City's 10 percent portion of the Airport Project. This project includes reconstruction of T-Hangar Taxiway F, construction of a maintenance building, and acquisition of equipment and a Aircraft Rescue and Fire Fighting Vehicle. Bids from the following were received:

<u>BIDDER</u>	<u>NET INTEREST COST</u>	<u>AVERAGE ANNUAL NET INTEREST RATE</u>
Bank IV Wichita, Kansas	\$ 6,375.00	6.375%
Country Club Bank Kansas City, Missouri	\$ 6,250.00	6.25%
Emprise Bank Hays, Kansas	\$ 5,900.00	5.90%
Golden Belt Bank Hays, Kansas	\$ 7,040.00	7.04%
United Missouri Bank Kansas City, Missouri	\$ 6,000.00	6.00%

Errol Wuertz moved, Eber Phelps seconded, that Resolution No. 184, being a Resolution authorizing the issuance and delivery of \$100,000 principal amount of taxable Temporary Notes (Airport Improvement Project), Series 1995 E of the City of Hays, Kansas for the purpose of temporary financing a portion of the costs of certain airport improvements of the City; and prescribing the terms of said notes, and further that the bid from Emprise Bank, Hays, Kansas, for an average annual net interest rate of 5.90%, with a net interest cost of \$5,900.00, be approved.

Jayne Clarke stated she would be abstaining from the vote because of her husband's association with Emprise Bank.

Vote: Ayes: Sharon Leikam
Daniel Rupp
Eber Phelps
Errol Wuertz
Abstain: Jayne Clarke

17. ADD-ON ITEMS: City Manager Zacharias reminded the Commissioners that due to funding cuts by Essential Air Services, it appears that we will no longer have air services to Denver beginning the first week of January. Air Midwest will continue its air service to Kansas City unaltered at least through February. If enplanements increase, additional flights may be added in March. Mr. Zacharias encouraged the public to use the air service so that we can continue to have Air Midwest service the Hays area. If we do not increase the enplanements, the subsidy will not be available next October.

Commissioner Rupp asked City staff to look into developing a policy regarding potential conflicts of interest for City employees in all areas.

Thereupon the Governing Body adjourned.

Submitted

by: _____

Clerk of the Board