

January 12, 1995

**1. CALL TO ORDER BY CHAIRMAN:** The Governing Body of the City of Hays met in regular session, Thursday, January 12, 1995, at 7:30 p.m.

Roll Call: Present: Robert Albers  
Sharon Leikam  
Daniel Rupp  
Joseph Glassman  
Eber Phelps

**2. MINUTES:** Eber Phelps moved, Joseph Glassman seconded, that the minutes of the December 22, 1994, regular session, be approved.

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

**3. CITIZEN COMMENTS:** Rick Claiborn, Hays Recreation Director, was present, and thanked the City for all the help the Recreation Commission has received from City staff over the past year.

Commissioner Leikam commended Mr. Claiborn for the excellent job he has done in the short time that he has been director. She said she has received many favorable comments on the new programs initiated by him.

Commissioner Phelps complimented Mr. Claiborn on the Glassman Ball Field renovation project. When completed, it will be a first-class facility.

**4. COMMISSION INFORMATIONAL MEMORANDUM:** Mayor Albers said the citizens of Hays voted on a one-half cent sales tax contingent upon Cessna locating in Hays. Other cities have a sales tax devoted to economic development in place. It is important for us as a community to consider a one-half cent sales tax devoted to economic development. Without a sales tax, we will loose a lot of ground that we gained by the Cessna proposal. The

Commissioners supported Mayor Albers idea, and asked the City Manager to present the idea of a county wide sales tax for a ten year period to the Ellis County Commission and the Ellis County Coalition.

**5. PURCHASE OF THE R-9 RANCH:** Mayor Albers said he feels comfortable that his concerns about the farming practices on the R-9 Ranch have been resolved. The tenants have assured us that they intend to work with the City to reduce the nitrate level, and operate the farm in an environmentally friendly and professional manner.

Joseph Glassman moved, Daniel Rupp seconded, that the City of Hays, Kansas purchase the R-9 Ranch, located in Edwards County, to be used as a long-term water supply.

Terry Fuller, Attorney for the Edwards County Commission, presented a petition from citizens of Edwards County opposing the purchase of the Ranch. He asked the Commission one more time not to purchase the Ranch. He feels strongly that the Hays City Commission has not considered the harm caused to the economy of Edwards County by this purchase, as well as the negative legal and social issues.

Commissioner Phelps said we have listened to the concerns of the citizens of Edwards County. He feels the purchase can have a positive impact for the City of Hays, as well as Edwards County. He hoped that the two entities could develop a partnership and move forward in a positive direction.

City Manager Zacharias reviewed the sources of financing for the purchase. He stated that the majority of the \$3,550,000 will come from sales tax proceeds, a portion of the remaining Sales Tax Bond money, and a portion of the Water and Sewer Revenue Bond money. Only a small portion (\$250,000) will be borrowed from the Water and Sewer Reserve Fund.

Commissioner Rupp mentioned that by prolonging the decision to purchase the Ranch until tonight, the City was able to earn additional interest. It also gave us the opportunity to discuss farming practices with the tenant, and hold further discussions with the City of Russell regarding a joint purchase of the

Ranch.

Mayor Albers noted, in response to the concerns of Edwards County citizens, that the present farming operation will remain for ten years and maybe even longer. There will be a long period of transition, and conditions today in regard to farming and the economy in Edwards County may not be the same in years to come.

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

Joseph Glassman moved, Daniel Rupp seconded, that Resolution No. 168, being a resolution authorizing the City Manager to execute documents to effect purchase of the R-9 Ranch, be approved.

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

**6. WATER AND SEWER RATE REVIEW:** City Manager Zacharias reviewed various graphs illustrating the projected revenue shortfall in the Water and Sewer Fund. At the direction of the City Commission, City staff developed various rate structures to cover a water revenue shortfall of \$227,513 and a sewer revenue shortfall of \$395,057.

Staff's recommendation for a water revenue increase involves the following:

- eliminate the nonprofit rate \$58,578
- increase all rate categories  
(including minimums) by 9% \$170,532
- Total \$229,110

Staff's recommendation for a sewer revenue increase involves the following:

- eliminate the nonprofit rate - \$64,081
  - increasing monthly minimum charges to  
50% of the new water minimum charges \$213,242
  - increase the flow rates only by 13% \$124,434
- Total \$401,757

Joseph Glassman moved, Eber Phelps seconded, that the recommendation of City staff for a water and sewer rate increase be approved.

A lengthy discussion took place regarding the recommended increases. Commissioner Rupp said he would vote against the recommended increases because the rates are regressive. He proposed a rate schedule which eliminated an increase for the low end water users (400 cubic feet or less). His theory being that this would give a break to households with one or two people. Commissioners were willing to give a break to low income households, but debated the fact that low water usage does not necessarily correlate to low income. Commissioner Rupp said everyone would benefit by his proposal. It would be a method of rewarding those who conserve.

Dr. Jim Dawson, representing Fort Hays State University, was present and opposed the elimination of the nonprofit rate. He stated that the University's rates would increase by approximately \$110,000. This increase would have to be passed on to the students. Timing of the increase would be a factor because resident hall rates have already been set. This increase may force the University to explore the possibility of producing their own water and/or develop their own sewer plant.

Commissioner Glassman asked Dr. Dawson what the City could do to help FHSU accommodate the proposed increase. Dr. Dawson said it would help if the increase could be implemented over a period of time.

Commissioner Glassman withdrew his motion and Commissioner Phelps withdrew his second to the motion. Commissioner Glassman said he wanted an opportunity to study Commissioner Rupp's proposal. The Commission directed the City Manager to meet with University officials to further discuss the proposed increase to

FHSU.

**7. CDBG GRANT CONTRACTS:** City Manager Zacharias presented a Grant Agreement between the City of Hays and the Kansas Department of Commerce, along with a Loan Agreement between the City of Hays and Hays International Mailing Service, Incorporated. These agreements authorize the use of \$200,000 in loan proceeds from the State of Kansas to Hays International Mailing Service. Of this amount, \$185,000 will be used by HIMS to purchase equipment and provide for 37 additional full-time permanent positions. The Loan Agreement stipulates that the money shall be lent to HIMS at a 4 percent rate for a 10 year period with the first 18 months of the 10 year period requiring payments of interest only.

Stan Kruse, representing HIMS, read a prepared statement from Larry Tucker, owner of HIMS, thanking the City of Hays for all the efforts put forth to help his company succeed.

Eber Phelps moved, Joseph Glassman seconded, that a Grant Agreement, in the amount of \$200,000 between the City of Hays and the Kansas Department of Commerce, and a Loan Agreement between the City of Hays and Hays International Mailing Service, be approved.

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

**8. GENERAL SERVICES ENGINEERING AGREEMENT:** City Manager Zacharias said as requested, Bucher, Willis & Ratliff have provided a rate schedule for general engineering services provided under the 1994 and 1995 Contracts. He noted that hourly increases have occurred in the upper management positions, and also an increase in computer time from \$8.00 to \$10.00 an hour. City staff felt the increases were in line with the current market.

Joseph Glassman moved, Sharon Leikam seconded, that an Engineering Agreement, not to exceed \$25,000, with Bucher,

Willis and Ratliff for 1995, be approved.

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

**9. HOUSING AUTHORITY AUDIT:** Dick Schneider, Executive Director of the Hays Housing Authority, was present to answer questions in response to a recent audit conducted by the U. S. Department of Housing. The audit indicated that the Housing Authority has provided an action plan in response to citations.

Commissioner Rupp said he has received complaints from elderly tenants who said they were treated in a discourteous, arrogant manner by the management. They also felt their requests for maintenance of their apartments and upkeep of the lawn were ignored by management.

Mr. Schneider said due to an influx of low income tenants, money was not available to make all needed improvements. The fescue grass has been replaced with buffalo grass, which requires several years to establish.

Commissioner Rupp said the impression he has received from visiting with tenants was that they received no satisfaction after airing a complaint, and at times staff was not available during office hours. A suggestion box might make for a more compatible environment between tenants and management.

Mayor Albers said two positions will be open on the Housing Authority Board. There appears to be a need for low-income housing. He would like to see the Housing Authority become more active and have a positive attitude toward expanding. He would like to see the vacant positions filled by someone who has experience in grant writing and is willing to work toward expanding.

**10. WILD WEST FEST REPORT:** Wild West Fest Committee members Wayne Rouse, Jerry Haley and Lonesa Wyatt were present to address concerns of the Ellis County Fair Board regarding the detrimental effect the Wild West Fest may have on the fiscal

survival of the Ellis County Fair, since both events are scheduled during the month of July.

Mr. Haley told the Commission that a small eight ride carnival is planned, along with a family oriented type of entertainment, neither of which will be in competition with the large carnival, as well as the adult oriented entertainment traditionally held at the Fair.

Mr. Rouse said the Wild West Fest Committee is sensitive to the concerns of the Fair Board, and assured the Commission that they will offer a different type of entertainment and activities than the Fair.

Fair Board President Paul Baier and Linda Brown, Administrative Assistant, were present. Mr. Baier said the meeting with members of the Wild West Fest Committee, has eased some of the concerns of the Fair Board. The Fair Board still has a concern over the close scheduling of the two events.

Ms. Brown pointed out that the Fair has fixed cost, such as a building payment, not to mention the thousands of dollars already committed for this year's entertainment.

The Commission sensed a great amount of emotion and anxiety, which may be an overreaction. They felt both groups could succeed. There is room for both events, and potential for both to succeed as long as they work together, and are willing to compromise.

City Manager Zacharias said the Wild West Committee wants direction as to whether or not to continue planning the Wild West Fest. The Commission wanted the Wild West Fest Committee to proceed, but at the same time, stressed that cooperation was important for both groups to succeed.

**11. REQUEST TO SELL PROPERTY:** City Manager Zacharias said Dean Ellner informed him that he has an interested party who would like to purchase the property (described as Lots 2 through 9, Block 1, Hays Plaza 7th Addition) which the City owns on Sherman Avenue. The City has no immediate use for the property. We may want to consider that location for an additional fire station sometime in the future.

The Commissioners felt it would be to the best interest of the City to keep the property, at least until further study on the possible uses, and the value of the property can be obtained.

**12. VEHICLE PURCHASE BIDS:** Bids were opened on January 4, 1995 for a 4x4 Pickup to be used by the Water Treatment Plant.

The results of that bid opening without a trade-in are as follows:

- \* Hays Ford Toyota \$19,525.05
- McLaren Lincoln Mercury, GMC \$20,288.32
- Paul MacDonald Chevrolet, Inc. \$19,630.46
- \* Bid did not meet specifications.

Sharon Leikam moved, Daniel Rupp seconded, that the lowest qualified bid from Paul MacDonald Chevrolet, totaling \$19,630.46, be accepted.

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

Bids were opened on January 9, 1995, for a program car to be used by the Inspection Department. An additional vehicle is needed because of the new full-time inspector position included in the 1995 Budget.

The results of that bid opening are as follows:

- \* Paul MacDonald Chevrolet, Inc. \$11,984.70
- James Motor Company \$14,000.00
- \* Bid did not meet specifications.

Joseph Glassman moved, Daniel Rupp seconded, that the lowest qualified bid from James Motor Company, totaling \$14,000, be accepted.

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

**13. WATER METER PURCHASES:** Eber Phelps moved, Daniel Rupp seconded, that a purchase of water meters and parts from Schlumberger Industries, totaling \$25,178.35, and a purchase from Sensus Technologies, totaling \$4,262.94, be approved.

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

**14. 1994 FIRE CODE:** This item was tabled until the next meeting.

**15. APPOINTMENTS:** Sharon Leikam moved, Daniel Rupp seconded, that the following appointments to the BID Advisory Board, be approved.

Kurt David - 3 year term      Darrell Keberlein - 1 year term  
Dick Crist - 3 year term      Norman Mermis - 1 year term  
Keith Stull - 3 year term

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

**16. ADD-ON ITEMS:** Commissioner Leikam asked the Commission to consider revising the ordinance pertaining to snow removal. In this age, with both parents working, it is a little unrealistic to expect people to have their snow removed within five hours after a snowfall; 24 hours would be more realistic.

Thereupon the Governing Body adjourned.

Submitted by: \_\_\_\_\_  
Clerk of the Board

