

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON AUGUST 8, 1996

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays met in regular session, Thursday, August 8, 1996, at 7:30 p.m.

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

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

2. MINUTES: Eber Phelps moved, Sharon Leikam seconded, that the minutes of the July 25, 1996, regular session, be approved.

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

3. CITIZEN COMMENTS: There were no citizen comments.

4. COMMISSION INFORMATIONAL MEMORANDUM: City Manager Hannes Zacharias mentioned that the U. S. Senate has passed a transportation appropriations bill which includes \$25.9 million to be allocated in fiscal year 1997 for Essential Air Service. The bill will now go to the U. S. House-Senate Conference Committee.

5. CONSENT ITEMS: Sharon Leikam moved, Eber Phelps seconded, that a Cereal Malt Beverage License for 5-Star Amoco, 1300 Vine Street, be approved, subject to the Certificate of Occupancy being approved.

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

Errol Wuertz moved, Jayne Clarke seconded, that the Mayor's recommended appointments to the Trade Board, be approved as follows:

Dave Rupp (Plumbing/Mechanical Trade) - 2nd term
expiring August 27, 2000

Ken Augustine (Electrical Trade) - 2nd term expiring August
27, 2000

Dana Cunningham (Architect/Engineer Trade) - 2nd term
expiring August 27, 1996.

Steve Hagelgantz (at large) - 1st term expiring August 27,
2000

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

6. BUDGET HEARING: Mayor Rupp opened the public hearing for the proposed 1997 Budget.

Fort Hays State University President Edward Hammond addressed the Commission regarding the reduction of funding for the Scholarship Program at FHSU. Dr. Hammond stated he understands the problems the City faces in funding the various City functions in 1997. However, Dr. Hammond feels the Scholarship Program is not a social agency, but is an economic development opportunity. Dr. Hammond also stated that revenue in the General Fund has increased with the annexation of FHSU and the University has a large impact in the community in relation to sales tax and retail sales. The University did not seek annexation into the city limits only to save money on their utility bills. Dr. Hammond stated they could have withdrawn

completely from city services and built their own sewer and solid waste system. They were annexed to solidify the partnership the University has with the City of Hays. If the University had withdrawn from city services, the City would have lost even more dollars. Dr. Hammond pointed out that it is common for cities to provide funds either through the mill levy or in kind services to universities in their cities. Dr. Hammond urged the Commission to consider restoring the Scholarship Program at FHSU to the full funding of \$100,000.

Mayor Rupp said the Commission would like to keep full funding for the Scholarship Program in place. However, the cut is necessary due to decline of sales tax revenue and cash carryover.

Commissioner Leikam stated she has asked many people if they had to choose between their children receiving scholarships or having an additional fireman to help put out a fire at their house, which would they choose? The City has not hired any additional firemen for 22 years. If a Charter Ordinance were in place exempting the Police and Fire Department from the tax lid, more General Fund dollars could be allocated to street maintenance and other items which simply are not being funded.

President Hammond asked if at the end of 1996, the cash carry-over of the General Fund is greater than anticipated, would the City be willing to restore full funding of the Scholarship Program in 1997.

City Manager Zacharias stated that any of the agencies that are getting a reduction of funds would also probably want to be considered for additional funding if the shortfall is not as great as expected. The Commission would have to deal with that question if and when that happens.

Commissioner Clarke said if there are excess funds at the end of 1996, her priority would be for those funds to be allocated to street maintenance. As of now, there are zero General Fund dollars budgeted for street maintenance.

Commissioner Phelps stated he feels that the \$100,000 spent on this program is realized back into this community on the day

of enrollment with all the retail activity and rentals. Mr. Phelps would be willing to take a look at this again after Sykes Enterprises is firmly established. Sykes Enterprises will hopefully have an impact on sales tax collection.

Ray Winters, citizen, spoke in favor of the budget cuts. Mr. Winters stated the university along with the other agencies need to tighten their belts; these cuts are necessary due to the shortfall of funds.

Commissioner Wuertz said he was in favor of amending the budget for all entities if the sales tax revenue does increase.

Mayor Rupp then closed the public hearing.

7. BUDGET ADOPTION: Jayne Clarke moved, Sharon Leikam seconded that Ordinance No. 3379, being an ordinance approving, adopting and appropriating by fund the budget of the City of Hays, Kansas, for the year beginning January 1, 1997, be approved.

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

8. BOND SALES: Mayor Rupp opened the public hearing regarding the proposed issuance of up to \$320,000 in General Obligation Airport Bonds to finance the cost of acquisition and construction of certain airport improvements including, without limitation, new taxiways, buildings, equipment, and other improvements.

City Manager Zacharias stated these funds are being matched by federal dollars on a 90-10 ratio, meaning 90% federal funds were utilized and most of these improvements are complete.

Mayor Rupp then closed the public hearing.

Bids for the issuance of \$320,000 in General Obligation Airport Bonds to finance the cost of acquisition and construction of certain airport improvements were received from the following:

Interest Rate

Piper Jaffrey	5.567558
George K. Baum & Company	5.2497

Jayne Clarke moved, Sharon Leikam seconded, that the bid from George K. Baum and Company with interest rate of 5.2497 percent, be accepted.

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

Jayne Clarke moved, Sharon Leikam seconded, that Ordinance No. 3378, being an ordinance authorizing the issuance and delivery of \$320,000 principal amount of General Obligation Airport Improvement Bonds, Series-1996-B, of the City of Hays, Kansas; providing for the levy and collection of an annual tax 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: Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz
Sharon Leikam

Sharon Leikam moved, Jayne Clarke seconded, that Resolution No. 218, being a resolution prescribing the form and details of and authorizing the delivery of \$320,000 principal amount of General Obligation Airport Improvement Bonds, Series 1996-B, of the City of Hays, Kansas, previously authorized by Ordinance No. 3378 of the City; and making certain covenants with respect thereto, be approved.

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

Bids for the issuance of \$4,320,000 General Obligation Internal Improvement Bonds were received as follows:

	<u>Interest Rate</u>
George K. Baum & Company	5.1601
Country Club Bank	5.111701
Smith Barney	5.133256
United Missouri Bank	5.182717

Jayne Clarke moved, Eber Phelps seconded, that the bid from Country Club Bank with an interest rate of 5.111701, be accepted.

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

Jayne Clarke moved, Eber Phelps seconded, that Ordinance No. 3377, being an ordinance authorizing the issuance and delivery of \$4,320,000 principal amount of General Obligation Internal Improvement Bonds, Series 1996-A, of the City of Hays, Kansas; providing for the levy and collection of an annual tax 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: Daniel Rupp
Eber Phelps
Jayne Clarke
Errol Wuertz
Sharon Leikam

Jayne Clarke moved, Errol Wuertz seconded, that Resolution No. 217, being a resolution prescribing the form and details of and authorizing the delivery of \$4,320,000 principal amount of General Obligation Internal Improvement Bonds, Series 1996-A, of the City of Hays, Kansas, previously authorized by Ordinance No. 3377 of the City; and making certain covenants with respect thereto, be approved.

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

9. AUDIT REPORT: Ken Beran, auditor from Adams, Brown, Beran and Ball, presented the 1995 Audit Report to the Commission. Mr. Beran stated the City is financially sound and had no budget violations in 1995. He pointed out the decline in cash carry-over in the General Fund, stating that unless revenues increase significantly, carry-over will become more of a problem in future years.

Mr. Beran said he reviewed the entire audit report with City staff. He recommended that City staff develop accounting procedures and policies so encumbrances are properly identified and accounted for.

Jayne Clarke moved, Errol Wuertz seconded, that the 1995 City Audit be accepted.

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

10. ANNEXATION: A request for annexation has been submitted by Michael Gaughan and James Rohleder to annex 1.375 acres of property adjoining Highway 183, north of Interstate I-70. City Manager Zacharias reviewed a map of the area. Mr. Zacharias stated an agreement will be signed stating they will not protest a special assessment district for the installation of water or sewer lines any time in the future.

Commissioners Clarke and Wuertz recommended the Planning Commission take a look at this prior to Commission action. Commissioner Clarke stated since this area is not contiguous with the city limits, she would prefer to have the Planning Commission's input.

City Manager Zacharias mentioned that several other recent

annexations have not been contiguous with the city limits. Mr. Zacharias said he is not opposed to the Planning Commission looking at this, however, he feels that property owners who want to be annexed, and are in our growth area should be allowed to do so.

City Attorney John Bird stated that a resolution requesting annexation would need to be sent to the Ellis County Commission for their approval. After their approval, the City Commission could either deny or grant annexation. During that time frame, the Planning Commission could review the annexation.

Errol Wuertz moved, Jayne Clarke seconded, that Resolution No. 219, being a resolution regarding annexing land to the City of Hays, Kansas, be approved, and further, that the Planning Commission review the annexation.

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

11. CHANGE ORDER: City Manager Zacharias explained this change order is for the final completion of 41st Street Plaza First Addition and additional compensation to cover engineering costs in performing construction observation. This is due to the contract not being completed on time. This cost is being offset by \$15,000 in liquidated damages assessed against the contractor for failing to complete the project within the allotted 60 days.

Eber Phelps moved, Sharon Leikam seconded, that Change Order No. 1 (final) for 41st Street Plaza Addition, deducting \$15,484 from the original contract price and further, to pay Bucher, Willis and Ratliff \$12,419.50 for additional compensation to cover construction observation costs, be approved.

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

12. WATER TOWER PAINTING: Errol Wuertz moved, Jayne Clarke seconded, that City staff be authorized to rebid the painting of the one million gallon water tower in early November 1996.

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

13. VOTER REGISTRATION: City Manager Zacharias said House Bill 2079 requires cities of the first and second class to offer the opportunity to register to vote to any person who has request services. If they choose not to register, the are required to fill out a declination form. This is a time consuming process for the office personnel. City staff recommends that a Charter Ordinance be pass exempting the City from this mandate.

The Clerk's Office will remain a voter registration site, and will continue to register voters upon request.

Eber Phelps moved, Sharon Leikam seconded, that Charter Ordinance No. 18, being an charter ordinance exempting the City of Hays, Kansas, from the provisions of K.S.A. 25-2303, 25-2309 and 25-2709 and amendments thereto, be approved.

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

14. ADD-ON ITEMS: Commissioner Wuertz asked whether Canterbury would be completed in time for school opening. City Manager Zacharias stated 13th Street and Canterbury Road south of 13th Street would be open prior to the first day of school, however, Canterbury Road north of 13th Street would not be completed

until October.

Ray Winters spoke in protest of property taxes.

Thereupon the Governing Body adjourned.

Submitted by _____

Clerk of the Board