

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON DECEMBER 26, 1996

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays met in regular session, Thursday, December 26, 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: Commissioner Wuertz pointed out a typographical error in the minutes.

Eber Phelps moved, Sharon Leikam seconded, that the minutes of the December 26, 1996, regular session, be approved as corrected.

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

3. FINANCIAL STATEMENT: City Manager Zacharias noted that sales tax collections are approximately \$2,000 above last year's collections for the same time period.

Jayne Clarke moved, Eber Phelps seconded, that the Financial Statement for November, 1996, be approved.

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

4. CITIZEN COMMENTS: There were no comments.

5. COMMISSION INFORMATIONAL MEMORANDUM: The Commission welcomed newly appointed Assistant City Manager Penny Postoak who was in attendance of the meeting.

6. CONSENT ITEMS: Sharon Leikam moved, Errol Wuertz seconded, that the Cereal Malt Beverage Licenses, as attached hereto, be approved.

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

7. CABLE TV REPORT: Pete Collins, representing Eagle Communications, was present at the request of the City Commission to answer questions regarding Hays Cable TV's rate increase of \$2.43 for basic cable services.

The Commission's main concern was the effect this increase will have on citizens living on a fixed income. All commissioners indicated that most citizens who called concerning the rate increase said they would prefer fewer channels at a lessor rate. They did not feel the seven additional channels included with the rate increase were worth watching. Mr. Collins said most of the rate increase is due to other programmers raising fees and not the new channels being offered.

Commissioner Leikam said many citizens do not have access to the additional channels because they do not have a VCR or a cable ready TV, but yet, they are forced to pay for channels they cannot get. Mr. Collins said the Cable Company has converters for sale, and will install them upon request free of charge.

Commissioner Leikam mentioned that one caller was upset because blatant sex was shown on a particular channel in the middle of the day. She felt this was very inappropriate.

Commissioner Leikam asked Mr. Collins if Hays Cable TV received compensation for adding programs to the system. Mr. Collins said some programmers reimburse the Cable Company for equipment costs to add a particular program to the system.

Commissioner Leikam asked if the reimbursement was as much as \$100,000. Mr. Collins said not for one program.

Commissioner Wuertz said an ad which ran on December 4, 1996, stated that cable TV is regulated by local government and the Federal Communications Commission, and both agencies can help if you have problems. The problem is people do not want the additional channels, and do not want to pay the additional fee. To say that local government can alleviate this problem is not accurate. If this ad is run in the future, he would like the wording "regulated by local government" taken out of the ad. Local government does not regulate rates for cable TV.

City Manager Zacharias said other cities have a tiered rate structure with the basic rate varying from \$9.00 to \$12.00. Why is a tiered rate not available to Hays subscribers? Mr. Collins said statistics show that only two percent of the public subscribe to the lower tier, and within three months they opt to subscribe to additional channels. Mayor Rupp said that may be the case, but the option for a low cost basic tier should at least be offered. A tiered rate structure would alleviate some of the frustration experienced by being forced to pay the high basic rate.

Mr. Collins asked if any other utility company offers a discount rate for a specific income group. Mayor Rupp said a lower rate is available to water customers who meet certain income guidelines upon request. City Manager Zacharias pointed out that electric and gas companies' rates are regulated by the Kansas Corporation Commission, while cable rates are not.

Commissioner Leikam asked Mr. Collins to consider taking a survey to get a consensus of what cable subscribers really want, more channels or a lower rate.

Mr. Collins said the Cable Company will explore the possibility of having a tiered rate structure.

8. FINAL PLAT: Eber Phelps moved, Jayne Clarke seconded, that the final plat for Hays Sundance Addition, be approved.

City Manager Zacharias said Hays Sundance Addition is the site of the proposed apartment complex developed by Cohen and

Esrey, Kansas City, Missouri. He noted the final plat is identical to the preliminary plat which was approved at the last City Commission meeting except for a reduction in the easement on the west side of the property from 20 feet to 15 feet.

Vote: Ayes: Daniel Rupp
Eber Phelps
Jayne Clarke
No: Sharon Leikam
Errol Wuertz

9. ANNEXATION: This item was tabled until the next meeting.

10. HEALTH INSURANCE: City Manager Zacharias said the City has budgeted \$567,000 in 1997 for health insurance. In order to bring the expected policy expenses in line with the amount budgeted, some modifications to the plan had to be made. These modifications reside in the acceleration of co-insurance payments from 20 percent employee/80 percent insurance up to \$2,500 to 50 percent employee/50 percent insurance up to \$1,000 if a Preferred Provider Organization is used, and \$2,000 if a non-PPO is used. This change along with the elimination of consultant services will allow us to have this benefit be within budgeted limits. City Staff recommends that the modifications to the 1997 Health Insurance Plan be approved.

Jayne Clarke moved, Errol Wuertz seconded, that City staff's recommended modifications to the 1997 Health Insurance Plan, be approved.

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

11. 33RD STREET IMPROVEMENTS: City Manager Zacharias said plans are to widen 33rd Street to make it contiguous from Wal-Mart to Barclay Drive. The estimated cost of this project will be \$259,000. The Sundance Addition would be assessed \$35,000 for their portion of 33rd Street. The balance of the project would be paid by the City-at-large and special assessments, or

paid by the developer at the time development occurs.

The City-at-large's portion will be added to our bonded debt. Historically, the City spends \$1,000,000 per year on capital improvements. Plans are to improve Vine Street in 1998 at a estimated cost of \$2,000,000, therefore, no money will be spend in 1997 on capital improvements. Widening 33rd Street will cause the City to exceed the capital improvement budget by approximately \$259,000, however, a portion of that cost will be reimbursed through special assessments.

12. ENGINEERING AGREEMENTS:

A. Jayne Clarke moved, Sharon Leikam seconded, that the Mayor be authorized to sign an agreement with Bucher, Willis and Ratliff to design, solicit bids, and inspect improvements to 33rd Street between Broadway and Barclay Drive.

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

B. This agreement with Bucher, Willis and Ratliff is to develop street specifications to be including in our existing Development Policy. This would allow potential developers to hire other engineers besides Bucher, Willis and Ratliff to construct streets to City standards. The agreement has a not-to-exceed amount of \$4,700.

Mayor Rupp said he had a problem with the contract. If we are going to provide this option to developers, perhaps they should pick up the cost.

City Manager Zacharias said recently, a developer hired a engineer other than Bucher, Willis and Ratliff to design a new development. The engineer did not have specific specifications to comply with. It was necessary for Bucher, Willis and Ratliff to review the street specifications. If he would have had specific specifications to follow, a second engineer would not have had to review the plans.

Jayne Clark moved, Eber Phelps seconded, that an agreement

with Bucher, Willis and Ratliff totaling \$4,700 to develop street specifications, be approved.

After a lengthy discussion, Commissioners indicated they would prefer not to take action. They asked the City Manager to explore the possibility of recouping at least a portion of the cost involved in developing and updating the street specifications. The motion on the floor was withdrawn by Commissioners Clark and Phelps.

13. GENERAL FUND REVIEW: City Manager Zacharias gave an update on the General Fund. He said cash carry-over in the General Fund has been decreasing year by year. This is due to the tax lid which prohibits the City from collecting any more tax dollars than was collected in 1989. General Fund revenue is expected to remain about the same. He does not foresee the tax lid being lifted because we are one of the few cities who have a problem with the tax lid. Many cities in Kansas have chartered out from under the tax lid, and 50 percent of the counties in Kansas have chartered out from under the tax lid.

City Manager Zacharias stressed that without additional revenue in the General Fund, the only option would be to cut services. City staff will continue to monitor the General Fund and further discussions will take place.

The Commission asked the City Manager to investigate the possibility of a mill levy placed on the April 1997 ballot for Fort Hays State University.

14. ADD-ON ITEMS: City Manager Zacharias said Kansas Statute requires cities to pass a resolution redefining the boundary of the City each year if annexations have taken place.

Sharon Leikam moved, Errol Wuertz seconded, that a Resolution re-defining the boundaries of the City of Hays to include the existing boundary, plus all property annexed in 1996, be approved.

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

Mayor Rupp said it is bothersome to see residents of Hays who do not have their vehicles registered in Ellis County. He would like to see some mechanism in place to force Hays residents to register their vehicles in Ellis County. City Attorney Bird said that is a difficult situation. County Treasurers are working on a method to prevent this from happening.

Thereupon the Governing Body adjourned.

Submitted by: _____

Clerk of the Board