

**MINUTES OF A MEETING OF
THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JUNE 25, 1998**

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas, met in regular session, Thursday, June 25, 1998.

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

Roll Call: Present: Jayne Clarke

Wayne Billinger

Troy Hickman

Howard Rome

Absent: Sharon Leikam

2. MINUTES: Howard Rome moved, Troy Hickman seconded, that the minutes of the regular session held on June 11, 1998, be approved.

Vote: Ayes: Jayne Clarke

Wayne Billinger

Troy Hickman

Howard Rome

3. FINANCIAL STATEMENT: Wayne Billinger moved, Troy Hickman seconded that the Financial Statement for May, 1998, be approved.

Vote: Ayes: Jayne Clarke

Wayne Billinger

Troy Hickman

Howard Rome

4. CITIZEN COMMENTS: There were no comments.

5. COMMISSION INFORMATIONAL MEMORANDUM: There were no comments.

6. CONSENT ITEMS: Wayne Billinger moved, Troy Hickman seconded, that a Cereal Malt Beverage License be approved for the Kiwanis Club on July 2nd, 3rd, 4th, and 5th, 1998. for the Wild West Festival Beer Garden.

Vote: Ayes: Jayne Clarke

Wayne Billinger

Troy Hickman

Howard Rome

7. HAYS BEAUTIFICATION AWARDS: Mayor Clarke presented Beautification Awards to the dental office of Dr. Mark Ruliffson, Sunflower Bank, and Burger King. Dr. & Mrs.

Ruliffson were present to accept the award. Sandy Jacobs, President of Sunflower Bank, accepted the award on behalf of the bank.

11. WILD WEST FEST: Dee Schmidt and Eber Phelps, representing the Wild West Festival, invited everyone to attend the Wild West Festival which will be held July 2 thru July 5, 1998.

Wayne Billinger moved, Howard Rome seconded, that the following items concerning the Wild West Festival be approved.

- A. Lease of the Municipal Park July 2nd through July 5th, 1998.
- B. Exemption from City Ordinance regarding noise.
- C. Closing the following streets:
 - 1. Blocking alley entrance from Larks Park's parking lot, west to the National Guard.
 - 2. Blocking 1st and Fort Street for east bound traffic into the Wild West Festival area.
 - 3. Blocking 4th & Main for southbound traffic into the Wild West Festival area.
 - 4. Blocking 3rd and Fort for east bound into the Wild West Festival area.
 - 5. Blocking Fort Street (rock road) from Elm north 3rd and Fort.
 - 6. Blocking Main & Elm for northbound traffic into the Wild West Festival area.
 - 7. Installing No-Parking signs on the south side of the 100 Block of East 4th, and on the west side of the 400 Block of Oak Street. Also installing no parking signs on both sides of the 700 Block of Elm Street to allow for the increase of from the detour at Main and Elm Streets.

Vote: Ayes: Jayne Clarke

Wayne Billinger

Troy Hickman

Howard Rome

8. 1999 BUDGET REQUESTS: Dr. Ed Hammond, President of Fort Hays State University, requested that the allocation of scholarship funds be restored to the original \$100,000. He said the Hays City Silver Scholarship Program is one of the best examples in the state of Kansas of a successful community/university partnership. This was demonstrated by the fall 1997 semester enrollment which had the second largest enrollment in Fort Hays State University's history with a final enrollment of 5,816 students.

The largest enrollment of 5,863 students occurred in the fall of 1980. From 1980 until 1987 Fort Hays State University lost enrollment. The loss of about 1,000 students was

one of the large blows to the Hays and Ellis County economy during the late 1980's.

The Hays City Silver Scholarship began in the fall of 1987, the year of lowest enrollment in the last 25 years. Had the Scholarship Program not been initiated, the drop in enrollment could have continued and could have been even greater. Because of the Hays City Silver Scholarships, hard work by faculty and staff at the University, and private support, since the fall of 1987, Fort Hays State University has grown more percentage wise than any other State University.

Dr. Hammond said since 1984, there has been a 122 percent increase in the economic impact of the University on the City of Hays. He believes the continued growth of FHSU is in the best interest of the citizens of Hays and he hoped the Commission would support the continued partnership at the original agreed rate of \$100,000.

Tom Robinson and Gary Howard, the Western Kansas Association on Concerns of the Disabled, requested \$13,500 from the 1999 Budget. This amount would be the City's share of funding for the access van. Mr. Robinson said WKACD appreciates the support of the City, and the money is well spend. Since May of 1997 to April of 1998, the van has covered 37,913 miles.

City Manager Zacharias asked Mr. Robinson if WKACD receives any funding from Ellis County. Mr. Robinson said the County has been approached for funding many times in the past, but has refused to contribute.

9. CITY INSURANCE: Richard Kraemer of Insurance Planning, Jim Spitzen, and Bruce Wright of Penco, reported on the City's insurance coverage for 98/99. Mr. Kraemer said the total renewal premium is \$139,681 compared to \$151,092 for the 97/98 policy year.

Mr. Kraemer mentioned that the Public Officials insurance rate has increased, liability insurance has decreased, and property insurance has increased by approximately \$2,000. Commercial Auto has increased due to eight new vehicles. The rates continue to go down for the Workers Compensation insurance since the 1993 reform. Personnel Director Susie Billinger has done a excellent job managing Workers Compensation claims.

Howard Rome moved, Wayne Billinger seconded that the proposal from Penco Insurance totaling \$139,681 for the City's insurance coverage for 1998/1999, be accepted.

Mr. Kraemer pointed out that insurance costs overall have decreased, but coverage has remained the same.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

10. CENTENNIAL TOWERS INDUSTRIAL REVENUE BONDS: Joe Jeter, attorney, representing Al Joseph of C. T. Residences L. C., was present with a request for the City to issue Industrial Revenue Bonds and subsequent tax abatements including a payment in lieu of taxes.

Mr. Joseph said C. T. Residences L. C. has been successful in receiving an option to purchase Centennial Towers. Tax credits have been granted by the Kansas Department of Housing and Commerce. Mr. Joseph asked the City of Hays to proceed with the issuance of taxable Industrial Revenue Bonds in the amount of \$2,200,000 for the purchase and renovation of Centennial Towers.

There will be no liability or cost to the City of Hays in regard to the issuance of these bonds. Any expenses the City may incur associated with the issuance of bonds will be reimbursed.

Mr. Joseph said Centennial Towers was built in 1977, but since 1977 there has not been any substantial renovation. His firm proposes to spend approximately \$500,000 renovating the facility including a new roof and windows. Also, the building will be brought up to ADA requirements. Woods & Starr Architects, Hays, Kansas, the original architect has been hired to oversee the renovation.

Mr. Joseph said Centennial Towers had a 20 year contract with HUD to help the tenants with their rent. That contract expired last year, and in May of this year a new contract was entered into with HUD that reduced the rent annually by \$46,000. As part of the HUD agreements, the rent will not be increased without HUD approval. Also, the Tax Credit Use Agreement will require that before any rental increase can be imposed, the State must approve the increase. With those kind of constraints, his lender requires that the taxes be stabilized. This is one of the purposes of requesting Industrial Revenue Bonds. He is requesting that for the next ten years, the project have a payment in lieu of taxes of \$22,500, slightly under what is currently being paid.

Mr. Joseph explained that the property contains approximately six acres. Centennial Towers is situated on the north half of the property. Plans are to do a lot split and place the north three acres in the projects for the bonds. The taxes would be stabilized on those three acres, but personal property taxes would be paid on the three acres to the south. If there is a demand for additional affordable housing, the south three acres will be structured so that additional housing could be built.

Mr. Joseph said the process involved includes a cost benefit analysis and a public hearing. Following the public hearing, an Inducement Resolution, an Agreement for

Payment in Lieu of Taxes, a bond resolution and a bond ordinance would need to be approved.

City Attorney John Bird clarified that there is no complete waiver of taxes, taxes would continued to paid at the equivalent of \$22,500 through a Payment in Lieu of Taxes (PILOT) Agreement.

Wayne Billinger moved, Howard Rome seconded, that a Resolution and other acts of the Resolution necessary including a Cost Benefit Analysis for the issuance of Industrial Revenue Bonds for purchase of Centennial Towers by C.T. Residences L. C., be approved.

Vote: Ayes: Jayne Clark
Wayne Billinger
Troy Hickman
Howard Rome

12. RECREATION COMMISSION BUILDING: Recreation Commission Director Rick Claiborn presented documents concerning a Lease Purchase Agreement for the purchase and renovation of a building to be used by the Hays Recreation Commission.

Troy Hickman moved, Howard Rome seconded that the following items be approved:

Ordinance No. 3441, being an ordinance authorizing the City of Hays, Kansas, to enter into a Base Lease, as lessor with Golden Belt Bank, F.S.A., as lessee; a Lease-Purchase Agreement, as lessee, with Golden Belt Bank, F.S.A., as lessor, with respect to the acquisition, construction and installation of a Recreation Center; and an Escrow Agreement by and among Golden Belt Bank, F.S.A., the City and Golden Belt Bank, F.S.A., as escrow agent, and Resolution No. 285, being a resolution authorizing an agreement between the City of Hays, Kansas, and Hays Recreation Commission to acquire and improve certain recreational facilities, and Notice of Exercise of Option to purchase real estate.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

13. MUNICIPAL POOL CONSULTANTS: Requests for Proposal for engineering/architectural services for construction of a municipal pool were received from the following:

Sullivan Palmer/Bohl & Associates - 6% plus expenses

Larkin and Associates Consulting - 7.5% plus expenses

Mark Hantla, Pool Task Force Chairman said the Pool Task Force recommends that Sullivan Palmer/Bohl & Associates be selected as engineers/architects for construction of the municipal pool. The recommendation is based on the following criteria:

- Content and compliance
- Performance standards and approach
- Experience and qualifications
- Familiarity with preliminary design
- Cost of services

Assistant Penny Postoak noted that the proposal from Sullivan/Palmer did not contain costs for soil borings. The cost of \$6,000 for soil borings has been added to the contract. Based on a contract of \$3.9 million, Sullivan/Palmer submitted a proposal of \$240,000, with a deduction of \$10,000 for services already rendered by Sullivan/Palmer and an addition of \$6,000 brings the estimated total engineering/architectural cost to \$236,000.

Howard Rome moved, Troy Hickman seconded, that a contract between the City of Hays and Sullivan/Palmer for engineering/architectural services for construction of a municipal pool, be approved.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

14. ANIMAL CONTROL SERVICES BIDS: The Humane Society of the High Plains was the lone bidder for animal control services for 1999, 2000, and 2001.

Wayne Billinger moved, Howard Rome seconded, that the bid from the Humane Society of the High Plains in the amount of \$75,000 for 1999, \$78,000 for 2000, \$82,000 for 2001, be accepted.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

15. ANNEXATION RESOLUTION FOR LAND OF OZ: Developer Dan Meckenstock said the area (twenty-five acres) is too large to be developed in one step. Therefore, Mr. Meckenstock is proposing to annex and develop the west side of the area which is not

contiguous to the City limits, thus creating an island. Such an annexation requires the County's approval.

Troy Hickman, Wayne Billinger, that Resolution No. 284, being a resolution requesting the County Commission to authorize the City of Hays, Kansas to annex Land of Oz First Addition, be approved.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

16. ANNEXATION AGREEMENT: City Manager Zacharias said the issue with this agreement is that Mr. Copper does not intend to have the building comply with City codes. However the building is currently being serviced by City water from the ArensWear Building. The feeling is it might be appropriate to approve this Annexation Agreement so we at least have some control in the future for new buildings being built to comply with City code. Additionally, it gives the City some leverage to annex the area once it becomes contiguous to the City limits.

Howard Rome moved, Troy Hickman seconded, that an Agreement for Annexation and Provision for Public Water Services with Jeff Copper, owner of property located at 2240 East 8th Street, be approved.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

17. EASEMENT RESOLUTION: City Attorney Bird explained that storm sewer drainage issues for the development of 41st Street Plaza 2nd Addition were not completely resolved within the Project itself. In order to develop this project properly, it is necessary to acquire some property outside the City by condemnation proceedings. The developer is required to pay all costs associated with the condemnation proceedings.

Wayne Billinger moved, Troy Hickman seconded, that Resolution No. 286, being a resolution initiating condemnation proceedings to acquire a storm drainage easement from Terry Williamson on property adjoining 41st Street Plaza 2nd Addition, be approved.

Vote: Ayes: Jayne Clarke

Wayne Billinger
Troy Hickman
Howard Rome

18. LAND ACQUISITION SERVICES CONTRACT: Howard Rome moved, Wayne Billinger seconded, that an Amendment to 27th Street Reconstruction Engineering Agreement with Bucher, Willis and Ratliff to include land acquisition services associated with the reconstruction of 27th Street, be approved.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

19. CITY ENGINEERING DEPARTMENT REPORT: Public Works Director Elden Hammerschmidt reported on the establishment of an Engineering Department for the City. A three year analysis was made on total engineering cost paid by the City for all projects. Based on this analysis, the City expended over \$300,000 per year for engineering services.

Mr. Hammerschmidt proposed to establish an engineering staff to include the following:

Personnel (engineer engineer tech, engineer aid)	\$108,690
Operating Budget	\$ 38,300
Capital Outlay (new equipment, addition to Public Works Facility)	<u>\$253,650</u>
Total	\$400,640

Mr. Hammerschmidt pointed out that on-staff engineers would not be a cure all; the City will still have to solicit services from outside firms. There will be no overall cost savings to the City by having an in-house engineering department. However, having an engineering staff will provide more continuity and better control. Presently, there are situations where advice would be helpful, but staff hesitates to consult an outside firm because of hourly rate costs for consultation.

Overall, the Commission had a favorable reaction to the establishment of an Engineering Department but wished to study the issue further. They asked to have the

costs included in the 1999 Budget with further discussion taking place during the Budget Work Session.

20. CHANCE ORDERS: Wayne Billinger moved, Troy Hickman seconded, that the following Change Orders, be approved.

- A. Change Order No. 1 Tallgrass Addition - Water & Sewer for an additional \$452.20 to finalize the project.
- B. Change Order No. 2 for Centennial Estates Sixth Addition totaling \$1,441 to finalize the project.

Vote: Ayes: Jayne Clarke
Wayne Billinger
Troy Hickman
Howard Rome

21. COMMUNITY CHEST: City Manager Zacharias briefed the Commission on the possibility of establishing a Community Chest. He said the Community Chest concept would take the place of the current process of allocating funds to organizations listed within the Social Agency and Economic Development Departments of the General Fund.

He asked the Commission to consider the following:

1. Will a committee be established to allocate these funds or will the City Commission choose to allocate these funds themselves?
2. Who would be eligible to receive funds?
3. What criteria will be used to allocate funds?
4. How and when will agencies apply for community chest dollars?
5. When would this program begin?

After a lengthy discussion, the Commission seemed to like the concept, but realized it would be rushing it to include a Community Chest in the 1999 Budget. Many details need to be worked out and the agencies involved would need to be given fair warning.

The Commission directed the City Manager to prepare the 1999 Budget as in the past, and allocate time for further discussion this fall.

22. ADD-ON ITEMS: Commissioner Rome asked staff to research what other cities do in regard to yard debris in alleys. Our present process of eliminating such nuisances is becoming very time consuming for City staff.

Commissioner Billinger presented an idea of establishing an award or incentive for department heads or employees who save the City money. The City Manager liked the

idea, and would give it some consideration.

Thereupon the Governing Body adjourned.

Submitted by: _____

Clerk of the Board