

MINUTES OF A MEETING OF
THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JULY 22, 1999

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session, Thursday, July 22, 1999, at 7:30 p.m.

Roll Call: Present: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Larry Schmidt
Howard Rome

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

2. MINUTES: Commissioner Schmidt requested that Item 9 in the minutes of the July 8, 1999, Commission meeting reflect a statement he made concerning the Pay Plan Study. Commissioner Schmidt stated that the Pay Plan Study lacked local wage comparisons.

Troy Hickman moved, Howard Rome seconded, that the minutes of the regular meeting held on July 8, 1999, be approved, as corrected.

Vote: Ayes: Wayne Billinger
Troy Hickman
Henry Schwaller IV
Larry Schmidt
Howard Rome

3. FINANCIAL STATEMENT: City Manager Hannes Zacharias stated that sales tax revenue for the first six months of 1999 is approximately \$10,000 less than the first six months of 1998.

Howard Rome moved, Troy Hickman seconded, that the Financial Statement for June 1999 be approved.

Vote: Ayes: Wayne Billinger

Troy Hickman
Henry Schwaller IV
Larry Schmidt
Howard Rome

4. CITIZEN COMMENTS: Errol Wuertz presented a petition signed by over 100 people in support of moving the John Werth hangar at the Hays Municipal Airport. Commissioner Schmidt stated the Commission needs to decide what to do with that hangar. Aerial spraying operations belong in the back, away from the terminal building. The \$40,000 it would take to move the hangar would be money well spent. Commissioner Schmidt requested that discussion on the possible relocation of this hangar be placed on the next meeting's agenda.

5. COMMISSION INFORMATIONAL MEMORANDUM: City Manager Zacharias stated the official census figure for Hays as of July 1, 1998 is 18,866.

6. CONSENT ITEMS: There were no consent items.

7. POLICE DEPARTMENT SURVEY: Jim Unruh and Brian Dawson, representing the Community Oriented Policing group, reported on a recently completed citizen survey of the Hays Police Department. Overall, 43% of the respondents were satisfied with the efforts of local law enforcement. Approximately 85% were satisfied with their neighborhood and 25% were willing to help the Police Department make this community a better place to live.

8. AIRPORT ABOVEGROUND FUEL TANKS: Albert Hunt, owner of Eagle Aviation, requested a change in the existing ordinance to allow for aboveground fuel tanks at the Hays Municipal Airport. Cherie Duddridge, an engineer from Air BP, presented information in support of aboveground tanks. Such tanks have doublewall fiberglass construction, fiberglass piping and can be visually inspected for leakage. Air BP installed tanks meet the uniform fire code and federal SPCC. SPCC is a plan that the federal government requires be written when aboveground storage tanks are installed. This plan details emergency procedures.

Commissioner Rome stated he is against aboveground tanks. Esthetically, they are not attractive and are not as safe as underground tanks.

The City has denied requests for aboveground tanks in the past and if we allowed this one, the City would be opening themselves to more requests.

Commissioner Hickman asked if this issue has been discussed with either the Airport Advisory Board or the Trades Board. Mr. Hunt stated the Airport Advisory Board and the Airport Manager said he needed to talk to the Fire Chief. He did visit with the Fire Chief, and then requested the item be placed on the agenda.

Airport Manager Terry Urban stated he felt the Commission should first consider if they would change the ordinance before getting any recommendation from the Airport Advisory Board.

Mr. Hunt stated that if his request were denied, the owner of the land east of the Municipal Airport, which is out of the city limits, would allow him to place aboveground tanks on his property.

Commissioner Hickman stated he felt the Airport Advisory Board should review this request first before the Commission decides to change the ordinance.

Steve Pfeifer, co-owner of Rich's Air Service, stated other requests for aboveground tanks have been denied. Mr. Pfeifer, representing Rich's Air Service, said if the City changes the ordinance for one person, other requests may be made to change the ordinance to suit their purposes, and where would it stop.

The consensus of the Commission was to have this issue referred to the Airport Advisory Board for their recommendation.

9. RURAL TELEPHONE FRANCHISE AGREEMENT: James Stapleton, representing Rural Telephone Services Company, requested an ordinance granting RTSC Communications Inc. a franchise to conduct business within the city limits of Hays.

City Manager Zacharias stated this contract has a five-year renewal clause. The agreement has been designed to expire on the same terms as the current Southwestern Bell franchise agreement. If the Commission should choose to make any changes in the future to these agreements, they can do so simultaneously affecting both telephone companies. The franchise fee of 3.7%

on the gross revenues for local exchange telephone service is the same for both companies.

City Attorney John Bird stated this ordinance has a special state statute that requires it be read in full at three consecutive Commission meetings. City Manager Zacharias read Ordinance No. 3468, granting to RTSC Communications, Inc., a subsidiary of Rural Telephone Service Company, Inc., a Kansas corporation, its successors and assigns, the right to construct and operate a communications system within the City of Hays, Kansas, defining the manner and place of construction of communication lines, prescribing the terms and conditions thereof, and providing for the payment of franchise fees to the city of Hays, Kansas.

10. CHANGE ORDERS:

A. Four change orders regarding the Hays Municipal Pool totaling \$12,971:

The change orders involve the epoxy of the bathhouse front porch in lieu of removal and replacement of the slab, the sun deck epoxy finish in lieu of non-slip clear sealer, and the epoxy application of the bathhouse interior. The fourth change order would be to install aluminum sliding glass windows in the concession stand on the upper deck along with a plastic laminate counter.

Asst. City Manager Postoak stated if these changes are approved, they will be taken out of the Pool Contingency Fund. To date, \$4,479 has been spent out of the \$200,000 fund, leaving \$195,521 available. The proposed four change orders, totaling \$15,563, would leave \$179,958 in that fund. The plan is not to spend all the money in the contingency fund, but to consider various changes to the contract as they arise.

Howard Rome moved, Troy Hickman seconded, that the four change orders regarding the Hays Municipal Pool totaling \$15,563, be approved.

Vote: Ayes: Wayne Billinger

Troy Hickman

Henry Schwaller IV

Larry Schmidt

Howard Rome

B. Accepting change orders 2 & 3 totaling \$9,462.50 for water line improvements to the 27th Street roadway and water line improvement project: As part of the 27th Street improvements, the waterline is to be replaced. At the east end of this line, where it ties into another line on Vine Street, city staff is concerned that the stubbed and capped line that will be left could be a possible problem in the future. This line is a lead joint line and if a leak develops in the middle of Vine at the 27th Street location, it could cause a major disruption to traffic and water customers in the area. The proposed change orders 2 & 3 would allow the tee to be removed and the old valve currently on Vine Street to be replaced. The total cost of items 2 & 3 would be approximately \$9,462.50. Items 1 & 4 of the change order have already been completed. The total estimated cost of all the change orders would be approximately \$10,545.42.

Elden Hammerschmidt, Director of Public Works, stated that the bid for items 2 & 3 does seem high to him, however, he felt that it would cost much more to repair later on, both in terms of inconvenience to our water customers plus the labor and materials cost.

Troy Hickman moved, Henry Schwaller IV seconded that change orders 2 & 3 totaling \$9,462.50 for water line improvements to the 27th Street roadway and water line improvement project, be approved.

Vote: Ayes: Wayne Billinger

Troy Hickman

Henry Schwaller IV

Larry Schmidt

Howard Rome

11. 8th STREET REPAIRS: The brick pothole repairs on 8th Street were initially bid with the Sidewalk Ramp Improvement Project as an alternate. The Commission rejected the 8th Street alternate bid and decided to look at other options. City staff provided cost estimates for several options. The Commission decided that it would take several years to budget an acceptable project. The 8th Street project was then rebid by itself, however, no bids were received. Allied, Inc., who received the Sidewalk Ramp bid was contacted to see if they would

honor their original bid of \$21,146.88 and they said they would. The Commission directed staff to verbally contact all three initial bidders and see if they would be interested in submitting a new bid.

J Corp was the only contractor that responded and bid \$16,480, which is higher than their original bid of \$11,856. John Youll, engineer with Bucher, Willis and Ratliff, expressed concern about awarding the bid to J Corp. The principal owners of J Corp were the same principal owners of Wes-Kan. Several of the projects awarded to Wes-Kan have not been completed satisfactorily. Based on their past history, BWR cannot recommend the bid be awarded to J Corp.

Commissioner Schmidt stated he has talked to J Corp and they would like to have a meeting to discuss the problems the City has experienced with their work. They would like to meet with the Commissioners, John Youll, Elden Hammerschmidt, Don Larson, Hannes Zacharias, and a representative from Allied. A representative from J Corp told Commissioner Schmidt they have been having trouble collecting their money and they don't feel it is all their fault. They feel they are being treated unfairly compared to other contractors. If the City is going to rule out their bid, the Commissioners need to hear their side of the story. Commissioner Hickman suggested J Corp's construction history with the City of Hays be added to the next meeting's agenda. Commissioner Schmidt suggested the Commission have a work study session to review those projects prior to the next meeting.

City Attorney John Bird stated that the 1995, 1996, and 1997 projects were done by Wes-Kan. The 1999 Golf Cart Paths Project was done by J Corp. Even though some of the same individuals are involved in both corporations, the City cannot use that as an excuse to disqualify J Corp.

Commissioner Hickman asked if it was possible for city crews to do this work for less money. Mr. Hammerschmidt stated that is possible, however, the reason the project was bid was because of lack of manpower. Other work would have to be stopped or put on hold in order to do the 8th Street repairs.

Commissioner Schwaller stated when he proposed that this item be pulled out of the Sidewalk Ramp Project, it was not his intention to have this drag on,

have Commissioners become angry, and lash out at a company that wants to do an honest job. The people that travel that street need to have a good, firm road. Those intersections need to be taken care of before winter.

Commissioner Hickman stated he was not opposed to awarding the bid to J Corp, however, in this particular case, because of the time line, Commissioner Schwaller's original suggestion of filling the potholes with asphalt would be a quicker and cheaper alternative. Commissioner Rome stated he would rather see the City do the repairs and save the money.

Mayor Billinger stated he was concerned for the citizens; if this work can be done in a timely fashion, he is in favor of awarding the bid to J Corp. John Youll stated there was no time limit specified. City Attorney John Bird stated the acceptance of the contract could be contingent upon a specified date. Commissioner Schmidt suggested a 90-day clause be included in our acceptance of the contract.

Henry Schwaller IV moved, Larry Schmidt seconded, that the bid submitted by J Corp, in the amount of \$16,480 to repair brick potholes on 8th Street between Fort and Oak Streets, be accepted, with the stipulation that the repairs be done within a 90 day period.

Vote: Ayes: Wayne Billinger

Henry Schwaller IV

Larry Schmidt

No: Troy Hickman

Howard Rome

12. VINE STREET ENHANCEMENT PROJECT APPLICATION: City Manager Zacharias presented a draft form of the application for enhancement funding. The project would improve Vine Street from 27th Street north to Fairground Road, including the interchange at I-70 and the intersections of 32nd, 33rd, and 41st Streets.

Commissioner Schmidt stated he thought the Vine Street project is an important project; however, he also feels the City of Hays should make an application to secure the Northwest Passage which would connect Hutchinson to

I-70, preferably at Hays. The City can submit more than one project. Commissioner Rome stated the Northwest Passage is important, but he felt the City should be trying to get a project that is more likely to be selected.

Director of Public Works Elden Hammerschmidt stated that a city can submit as many applications as they like, they will all be weighed equally. The only problem with submitting multiple applications is that if you only have so many dollars locally that can be committed to the projects, the more you break up those funds, the less credit you get on each individual project. The more dollars you put towards one project give you more credit. That is one of the elements KDOT considers when weighing which city will be awarded a project. There is also the possibility that a city may not get their number one priority; a project may be awarded that involves the least amount of money.

City Manager Zacharias stated the City of Russell is very interested in having the Northwest Passage connect to I-70 at their city. The City of Hays is involved in a water project with Russell worth almost 17 million dollars. If the City of Hays decides to pursue the Northwest Passage connecting at Hays, this could jeopardize our relations with Russell on the water project.

Mayor Billinger stated it is more important to secure future water sources than it is to pursue the Northwest Passage.

Commissioner Hickman stated our more immediate need for road improvements is north of 27th Street. Our partnership with Russell and our more immediate need for water is a greater priority than the possibility of having the Northwest Passage connect at Hays. Commissioner Rome stated we have made great strides in our relationship with Russell and the City of Hays shouldn't jeopardize that relationship in applying for the Northwest Passage.

Commissioner Schwaller stated he is in favor of the system enhancements north of 27th Street. However, it is not wise to rule out the Northwest Passage. This is an important linkage with the areas south of Hays and would connect with Highway 183 up through Nebraska.

Commissioner Schmidt stated he didn't feel our water agreement with Russell would fall apart due to the City of Hays applying for an enhancement

project. If certain people promised the City of Hays wouldn't pursue the Northwest Passage, that should never have been done. The Governing Body as a group never decided to not pursue the Northwest Passage.

Commissioner Hickman stated this decision was one the Water District worked through. Each Commission body can choose to do whatever they want to do with agreements and grant applications.

Mayor Billinger stated the decision to not pursue the Northwest Passage would have to come before the Commission. The Water District could not take binding action on behalf of the City of Hays.

Commissioner Schmidt stated he would like to apply for the Northwest Passage together with Russell; together both communities would have more pull. City Attorney John Bird stated his recommendation is that the City of Hays supports Russell in their application because it would be a benefit to Hays even if the Passage connected at Russell.

Troy Hickman moved, Howard Rome seconded, that the City Manager be authorized to submit an application for enhancement funding to improve Vine Street from 27th Street north to Fairground Road, including the interchange at I-70.

Vote: Ayes: Wayne Billinger

Troy Hickman

Howard Rome

No: Henry Schwaller IV

Larry Schmidt

13. HOUSING STUDY: Commissioner Schwaller stated the main objective of the study is to gather new data. The original study was done in 1994. This study will look at the Hays housing market and the supply and demand of housing in Hays and the outlying areas.

Troy Hickman moved, Henry Schwaller IV seconded, that the City of Hays enter into a contract with the Docking Institute to conduct a housing study for a total cost of \$12,000, as recommended by the Housing Task Force.

Vote: Ayes: Wayne Billinger

Troy Hickman
Henry Schwaller IV
Larry Schmidt
Howard Rome

14. PUBLIC HEARINGS: A: Troy Hickman moved, Howard Rome seconded, that a public hearing for the 2000 Budget be set for Thursday, August 12, 1999, at 7:30 p.m.

Vote: Ayes: Wayne Billinger

Troy Hickman
Henry Schwaller IV
Larry Schmidt
Howard Rome

B. Troy Hickman moved, Howard Rome seconded, that a public hearing to amend the 1999 Water and Sewer Fund Budget be set for Thursday, August 12, 1999, at 7:30 p.m.

Vote: Ayes: Wayne Billinger

Troy Hickman
Henry Schwaller IV
Larry Schmidt
Howard Rome

15. EXECUTIVE SESSION: Troy Hickman moved, Howard Rome seconded, that the Governing Body adjourn to executive session at 9:58 p.m. for 30 minutes to discuss employer/employee negotiations and the acquisition of real property, returning at 10:28 p.m. The executive session will include the City Commissioners, the City Manager, the Assistant City Manager, the City Attorney, the Public Works Director, the Community Development Director, and the Human Resource Director.

Vote: Ayes: Wayne Billinger

Troy Hickman
Henry Schwaller IV
Larry Schmidt

Howard Rome

Mayor Billinger called the meeting back to order at 10:28 p.m. He stated no action was taken.

Troy Hickman moved, Henry Schwaller IV seconded, that the Commission enter into another executive session to continue discussion for an additional 30 minutes, reconvening at 10:58 p.m. This session will include the same people as were in the first session.

Vote: Ayes: Wayne Billinger

Troy Hickman

Henry Schwaller IV

Howard Rome

Mayor Billinger called the meeting back to order at 10:58 p.m. He stated no action was taken.

Howard Rome moved, Larry Schmidt seconded, that the Commission enter into another executive session to continue discussion for an additional 15 minutes, reconvening at 11:13 p.m. This session will include the same people as were in the other two sessions.

Vote: Ayes: Wayne Billinger

Larry Schmidt

Howard Rome

Mayor Billinger called the meeting back to order at 11:13 p.m. He stated no action was taken.

16. ADD-ON ITEMS: Commissioner Schwaller stated he is opposed to any mill levy increase in the 2000 Budget. The proposed budget will raise the mill levy by 1.56 mills. Economic data indicates the city's economy is slowing down, sales tax revenues are down, and more people are applying for public assistance. The average wage for Ellis County is not keeping up with our peer counties or the state. The Commissioners need to establish a vision for the City and have a business plan. The City needs to become more efficient and flexible in delivering services. The City of Hays and Ellis County should continue to negotiate to end

duplication of services. Money can be saved for all of Ellis County if city and county services are merged.

Commissioner Hickman stated economic data could be interpreted many ways. The city's economy might be at a plateau, but that doesn't mean that the city is in a downward spiral. The mill levy for the general fund was reduced from 8.41 mills in 1999 to 7.83 mills for the year 2000. Because the employee benefit fund has always been exempt from the property tax lid, if the 2000 Budget had stayed exactly the same as 1999, the mill levy would have been increased by 2.17 mills, to 33.05 mills. The proposed 2000 Budget has an increase of 1.56 mills. That means more was cut over-all than in 1999, especially from the general fund.

Commissioner Hickman stated he has been investigating the Big Creek and Prairie Acres Sewer District dispute, as requested by Commissioner Schmidt at an earlier meeting. In order to make an informed decision, he requested Commissioner Schmidt supply him with documents to answer his questions. Commissioner Schmidt stated he would get the information for him.

Mayor Billinger stated none of the Commissioners wanted to raise the mill levy. The proposed budget was higher initially. Cuts were made; however, the City still needs to have proper maintenance built into the budget for equipment and the operation of departments.

Thereupon the Governing Body adjourned.

Submitted by: _____

Clerk of the Board