

MINUTES OF A MEETING OF
THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON MARCH 11, 1999

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session, Thursday, March 11, 1999, at 7:30 p.m.

Roll Call: Present: Wayne Billinger
Troy Hickman
Howard Rome
Sharon Leikam
Jayne Clarke

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

2. MINUTES: Sharon Leikam made a correction to the February 25, 1999 minutes, Item 11, Water Plant Generator. She said she seconded the motion, rather than Commissioner Hickman.

Jayne Clarke moved, Troy Hickman seconded, that the minutes of the February 25, 1999, meeting, be approved, as corrected.

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

3. CITIZEN COMMENTS: There were no comments.

4. COMMISSION INFORMATIONAL MEMORANDUM: There were no comments.

5. CONSENT ITEMS: Sharon Leikam moved, Jayne Clarke seconded, that Kathy Hertel be appointed to the Library Board to fill an unexpired term expiring April 30, 2002.

Vote: Ayes: Wayne Billinger

Troy Hickman
Howard Rome
Sharon Leikam
Jayne Clarke

6. STORMWATER MANAGEMENT REGULATIONS ORDINANCE: City Manager Hannes Zacharias stated this issue needs to be part of the zoning and sub-division regulations and must be reviewed by the Planning Commission, then brought back to the City Commission. Once the Planning Commission has approved the storm water management regulations, an ordinance codifying the regulations will be prepared for Commission consideration.

7. AIRPORT FBO AGREEMENT: City Manager Zacharias reviewed the agreement between the City and Eagle Aviation Inc. for Fixed Based Operator services at the Hays airport. The airport manager will be monitoring the construction of the new hangar to insure that it is completed within 180 days.

Howard Rome moved, Troy Hickman seconded, that the Mayor be authorized to sign an agreement between the City and Eagle Aviation Inc. for Fixed Based Operator services of the Hays airport.

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

8. HOUSING TASK FORCE: City Manager Zacharias reviewed a possible composition of categories for the proposed housing task force. Representatives will be appointed from the following sectors: Coalition, Housing Authority, Planning Commission, banking/lending, a major employer, a home buyer, Fort Hays State University, the construction industry, a developer, manufactured housing, and a realtor. Ex-Officio members will be Kent Laas, Lavern Squier, Bob Templeton, Hannes Zacharias, and a City Commissioner.

The mission of the task force will be to document the need for affordable housing and to develop a strategy that will make a positive difference in our

community. Any suggestions for nominations to this task force should be submitted to the Mayor.

9. RECREATION COMMISSION YEAR-END REPORT: Rick Claiborn, Superintendent of the Hays Recreation Commission, presented a review of the 1998-year. Mr. Claiborn spoke of the many programs offered, the hundreds of volunteers that helped make the programs successful, and their plans for the future. Mr. Claiborn expressed his thanks to the City of Hays for all of the help received throughout the year. Our community displays a great deal of support and interest in the HRC and this makes their job very rewarding.

10. HOMESTEAD INDUSTRIAL REVENUE BONDS: Brian West, representing The Homestead Company, L.C., addressed the Commission regarding The Hays Homestead Assisted Living Residence that will be constructed on a parcel of land in Sternberg Addition immediately west of the new Sternberg Museum. Mr. West requested the Commission approve an Inducement Resolution authorizing the issuance of up to \$2,500,000 of Industrial Revenue Bonds for construction. Mr. West pointed out that The Hays Homestead is not requesting relief from property taxes.

City Manager Zacharias asked why The Homestead Company was using Industrial Revenue Bonds instead of other means of financing. The Director of Development for The Homestead Company stated that generally one could get a bigger percent of the property financed using Industrial Revenue Bonds.

Commissioner Rome noted that the City is not liable for any of this debt; the City is merely a flow through agent for the issuance of the Bonds.

Jayne Clarke moved, Troy Hickman seconded, that Resolution No. 303, being a resolution of the Governing Body of the City of Hays, Kansas, determining the advisability of issuing assisted living residence revenue bonds of said city for the purpose of financing the acquisition, construction, installation and equipping of an assisted living center facility to be located in said city, be approved.

Vote: Ayes: Wayne Billinger

Troy Hickman

Howard Rome
Sharon Leikam
Jayne Clarke

11. VARIOUS PARK ISSUES: **A.** John Shaver, Park Director, addressed the Commission regarding several issues concerning city parks. Proposals were presented to the Hays Optimist Club for replacement of play equipment at Seven Hills Park, which the Optimist Club has supported for the past 20 years. They have selected the proposal from Game Time by Modlin Recreation Equipment Inc. for \$19,999. This piece of equipment offers 17 play features and will fit very well into the park site.

The park budget includes \$12,000 for this project, as well as \$5,000 in matching funds in the Special Park and Recreation Fund. The Optimist Club has agreed to match the \$5,000 and have agreed to have a group of volunteers help install the equipment.

Howard Rome moved, Sharon Leikam seconded, that the bid from Modlin Recreation Equipment Inc., in the amount of \$19,999, for playground equipment for Seven Hills Park, be approved.

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

B. And C. Rick Claiborn stated that due to the huge increase in participation in the Soccer Program, the Recreation Commission believes it is necessary to add additional soccer fields. Mr. Claiborn requested approval for the installation of soccer fields at Aibel-Bickle Park. Along with the installation, Mr. Claiborn requested crews be allowed to irrigate portions of the park with potable water because re-claimed water is not available in this area of the City. The plan is to use a water reel to irrigate fields this spring, and eventually install an in ground irrigation system. All of the City's regulations concerning the use of water for outside watering purposes will be followed.

Mayor Billinger asked if it would be possible to drill a water well at the Park? City Manager Zacharias stated there are no new appropriations for water. The City could try to purchase other existing water rights, and get permission from the Division of Water Resources to relocate those water rights if the purchased water rights are within one-half mile of the park. However, there would be a lot of hoops to go through to make that happen.

Commissioner Clarke stated there is a quality of life issue at stake here; green spaces in a community are important. Commissioner Clarke stated she is supportive of using city water to irrigate these park areas. However, we need to be careful and use the water wisely.

City Manager Zacharias stated the City's safe yield policy is 2600-acre feet of water. Currently we consume between 2100 and 2200 acre-feet of water. Since the air stripper has been implemented, that safe yield number is 3200-acre feet. It will take approximately 9-acre feet to water this park. If the City should ever experience problems with consumption, this would be the first place where watering would cease.

Jayne Clarke moved, Howard Rome seconded, that the installation of soccer fields on Aubel-Bickle Park be approved, and further, authorized the use of City water in watering various City parks.

Vote: Ayes: Wayne Billinger

Troy Hickman

Howard Rome

Sharon Leikam

Jayne Clarke

D. Bids were received March 1, 1999, for the asphalt paving of the cart paths at Fort Hays Municipal Golf Course. Two bids were received and both were over the 1999 budgeted cost of \$93,000. The Golf Course Advisory Board reviewed the bids and recommends that the bid specifications be changed and the project be re-bid.

Troy Hickman moved, Howard Rome seconded, that the bids submitted to pave cart paths at the Fort Hays Municipal Golf Course be rejected and the project re-bid.

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

12. 43RD STREET BIDS: Only one bidder, Allied, Inc., bid on this project in November. Their bid was over the engineer's estimate. Western Plains Service Corporation entered into negotiations with Allied to lower their bid. Allied submitted a new bid of \$322,396.33, which is less than the engineer's estimate. Western Plains Service Corporation requests that the original bid from Allied be rejected, and that the negotiated bid be accepted.

John Youll, engineer from Bucher, Willis and Ratliff, stated the changes made from the original bid would not compromise the quality of the project.

Howard Rome moved, Jayne Clarke seconded, that the original bid from Allied, be rejected and the negotiated bid from Allied, Inc., in the amount of \$322,396.33, for the construction of 41st Plaza Third Addition (43rd Street), be accepted.

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

13. CITIZEN SURVEY CONTRACT: The Fort Hays Sate University Docking Institute of Public Affairs will perform a citizen survey for a cost of \$4,500. The purpose of the survey is to give staff a better idea of citizens' perceptions about city facilities, services and how well we perform. Other questions include questions about retail issues, shopping downtown, and Internet activities.

Commissioner Leikam asked why couldn't we use our city newsletter to survey citizens and save the \$4,500? City Manager Zacharias stated we would be using the newsletter for specific survey issues in the future. However, this survey would be a little lengthier than what our newsletter could accommodate. Also, typically, mail in surveys tend to show response from citizens who have had a bad experience. People who have had good experiences traditionally don't respond to the survey. With a call-in survey, you get the positive responses along with the negative ones.

Howard Rome moved, Troy Hickman seconded, that the City consider entering into an agreement with the Docking Institute to perform a citizen survey for a total cost of \$4,500.

Vote: Ayes: Wayne Billinger

Troy Hickman

Howard Rome

Sharon Leikam

Jayne Clarke

14. BOND ISSUANCE: Dave Arteberry, representing George K. Baum and Company, updated the Commission on the refunding/refinancing of existing bonds and the issuance of General Obligation Sales Tax Bonds for the new swimming pool complex construction. The method of refunding involves issuing new bonds, the proceeds of which will be used to purchase U.S. Treasury securities which will be placed in an irrevocable escrow account. The escrow will generate funds sufficient to provide for the payment of the principal and interest on the refunded bonds. Upon completion of the refunding, the City will then only be responsible for payment on the new low interest rate bonds.

This process should reduce total debt payments approximately \$90,000, reduce the interest rate on refinanced debt, and save issuance costs by selling bonds simultaneously with swimming pool sales tax bonds. Interest savings initially were estimated to be approximately \$103,100, however, rates have gone up since this process was started, which lowers the savings.

Mr. Arteberry requested the Commission authorize the distribution of the Preliminary Official Statement and initial offering of bonds associated with refinancing existing bonds and the issuance of general obligation sales tax bonds. The final level of savings will be known at the next meeting, when final steps are taken to lock in the interest rate.

Jayne Clarke moved, Sharon Leikam seconded, that Resolution No. 304, being a resolution authorizing the offering for sale of approximately \$6,940,000 principal amount of general obligation refunding bonds, Series 1999-A and \$3,710,000 principal amount of General Obligation Sales Tax Bonds, Series 1999-B of the City of Hays, Kansas, be approved.

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

15. Y2K REPORT: Penny Post oak, Assistant City Manager, reported on staff activities to date involving Y2K readiness. The highest priorities are those that affect public health and safety, including the Water Plant, the Wastewater Plant, Police Department, Fire Department and Emergency Operations. Other priorities include traffic concerns, our billing/accounting system, phone systems, and personal computers. Overall, the City has been responsible in preparing for the Year 2000 issues. There are a few areas that still need refinement and will be addressed in the near future.

The Ellis County Emergency Preparedness group has been preparing for Y2K and will be available, along with the National Guard. The National Guard will be tracking New Year's Eve throughout the world and will be able to tell us in advance of any unexpected problems.

Mayor Billinger voiced concern as to who would ultimately be in charge if worse comes to worse. The City should come up with a plan along with other entities, find out who is in charge, what are the contact numbers, and how are we going to do an educational process with the general public.

Ms. Postoak stated Emergency Preparedness already is in place for any disaster/emergency, and they will be trying to do some public awareness prior to Y2K. City Manager Zacharias stated there is a very detailed list as to who is in charge for various emergencies and an articulate plan to deal with the situation. The City could request Mike Werth and Wayne Schwartz to go through the entire Emergency Preparedness plan at an upcoming Commission meeting.

16. NATIONAL LEAGUE OF CITIES CONFERENCE REPORT: City Manager Zacharias, Mayor Billinger, and Commissioner Hickman reported on issues covered at the NLC Conference held in Washington D.C. Commissioner Hickman stated the legislation that exempts sales tax from Internet purchases is causing some concern. Internet sales are increasing every year and this is having an adverse effect on sales tax revenue collection. State and local leaders advocate treating businesses equally whether they sell goods locally or over the Internet. Commissioner Hickman urged citizens to talk to their representatives and congressmen about repealing the Internet Tax Freedom Act, which will be in effect until October 2001.

City Manager Zacharias spoke of airport funding through general tax dollars. The effort right now is to make sure that FAA AIP program is reauthorized and make sure that every dollar that gets collected gets spent in that fund and not siphoned off to something else. Essential Air Services should be preserved for this year.

Mayor Billinger stated it was a good conference and they were able to spend more time with our congressmen and representatives than in previous years.

17. EXECUTIVE SESSION: Sharon Leikam moved, Howard Rome seconded, that the City Commission, the City Attorney, the Assistant City Manager, the Park Director, and John Youll recess to executive session at 9:50 p.m. for twenty minutes to discuss litigation and the purchase of real estate.

Vote: Ayes: Wayne Billinger
Troy Hickman
Howard Rome

Sharon Leikam

Jayne Clarke

The regular session was resumed at 10:10 p.m. and Mayor Billinger said that litigation and the purchase of real estate was discussed in the executive session.

Troy Hickman moved, Jayne Clarke seconded, that the City Manager and Mayor be authorized to sign the necessary documents to consummate the transactions proposed with Dean Rupp, Karen Brull, and George Fitzsimmons, Bishop of the Roman Catholic Diocese of Salina, regarding acquisition of property on 27th Street.

Vote: Ayes: Wayne Billinger

Troy Hickman

Howard Rome

Sharon Leikam

Jayne Clarke

18. ADD-ON ITEMS: Commissioner Rome spoke on the possible installation of an 800 number to assist airport travelers with information and ticket purchases.

Mayor Billinger suggested that a volunteer appreciation day be held to honor all the volunteers in the city.

Thereupon the Governing Body adjourned.

Submitted by: _____

Clerk of the Board