

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JUNE 14, 2001

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, June 14, 2001, at 7:30 p.m.

Roll Call: Present: Henry Schwaller IV
Larry Schmidt
Troy Hickman
Sunell Koerner
Dick Bedard

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

2. MINUTES: Larry Schmidt moved, Dick Bedard seconded, that the minutes of the regular meeting held on May 24, 2001, and the special meeting held on June 1, 2001, be approved.

Vote: Ayes: Henry Schwaller IV
Larry Schmidt
Troy Hickman
Sunell Koerner
Dick Bedard

3. CITIZEN COMMENTS: Members of the Fort Hays Municipal Golf Course addressed the Commission concerning the budgetary needs of the facility. Many improvements are needed at the Golf Course and the representatives urged the City to continue supporting the facility. The Golf Course is a very important part of the quality of life in Hays. It provides recreation for people age six to 100.

4. CONSENT ITEMS: Dick Bedard moved, Sunell Koerner seconded, that a Cereal Malt Beverage License be approved for the Kiwanis Club of Hays for the Wild West Fest Beer Garden for use in Municipal Park.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt
Troy Hickman
Sunell Koerner
Dick Bedard

OLD BUSINESS

5. ANIMAL CONTROL CONTRACT RENEWAL: Juli Reiss, Executive Director, and Karen Hickman, President of the Humane Society of the High Plains, presented information supporting their request to continue providing animal control for the City of Hays. The current contract ends December 31, 2001.

City staff recommends the renewal of this contract for January 1, 2002 through December 31, 2002, with two-year extension options, for a maximum of three years. Contract amounts will be for \$86,000 in 2002, \$89,000 in 2003, and \$92,000 in 2004.

Troy Hickman moved, Larry Schmidt seconded, that the City Manager be authorized to sign a three-year contract with the Humane Society of the High Plains for animal control services within the City of Hays.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt
Troy Hickman
Sunell Koerner
Dick Bedard

6. AIRPORT BIDS: Bids to install fencing at the Hays Regional Airport were received from the following:

Anchor Fence	\$2.35 per linear foot fencing
Springfield, MO	\$1400 per driveway gate
Ninemire Fence	\$1.42 per linear foot fencing
Hill City, KS	\$250 per driveway gate

Barbwire Fence	\$3.75 per linear foot fencing
McCracken, KS	\$1650 per driveway gate

The total amount of the project will be between \$18,000 to \$20,000 depending on the total footage of fencing. This fencing is part of the FAA 3-20-0028-11 Land Acquisition Grant.

Troy Hickman moved, Sunell Koerner seconded, that the bid from Ninemire Fence, Hill City, KS, in the amount of \$1.42 per linear foot fencing and \$250 per driveway gate, be accepted.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

6. POST OFFICE PARKING: City Manager Hannes Zacharias stated that City staff has visited with Ken Gottschalk, owner of property located at 109 West 7th Street, about leasing 10 parking spaces at the north end of his property for use by the Post Office. Post Office personnel are also communicating with Mr. Gottschalk.

Mayor Schwaller stated this is a very busy area during all hours of the day. The lack of parking needs to be addressed. The City should do something until such time the Post Office picks up the lease.

Commissioner Schmidt stated the City should do something; maybe split the cost with the Post Office. He would advocate the City sign a lease with Mr. Gottschalk, and then see if the Post Office would split the cost with the City.

Commissioner Bedard stated he would have a problem with the City paying for public parking.

Commissioner Hickman suggested City staff pursue a lease agreement with Mr. Gottschalk and report back at the next meeting.

NEW BUSINESS

8. ANNEXATION ORDINANCE: Simon Roth Jr. presented a “Consent to Annexation Agreement from the Roth family for property located between 45th & 48th Streets along Vine. The property is in the process of being subdivided into 10 lots that will be known as Roth Fourth Addition. The Hays-Ellis County Planning Commission has approved the Plat representing this property. Annexing the property now allows the developer to plan for public infrastructure improvements without interim agreements such as our “Pre Annexation Agreement.”

Troy Hickman moved, Dick Bedard seconded, that Ordinance No. 3558, being an ordinance annexing 23.227 acres of property owned by the Roth family, located at 45th and north Vine to be known as Roth Fourth Addition, be approved.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

9. KDOC & H EMERGENCY SHELTER GRANT: Pam Blau, representing First Call for Help, presented a \$25,000 grant application to be submitted by the City on behalf of First Call for Help in collaboration with the Ellis County Ministerial Alliance and the United Way. The stipulations of the grant are as follows: (1) rent or utility payments can not be made due to a sudden reduction in income. (2) the assistance is necessary to avoid eviction or termination of services and (3) there is a reasonable prospect that payments can be resumed within three months of rent or utility assistance.

The Ellis County Ministerial Alliance will administer the grant funds. First Call for Help will be the initial contact for clients and will determine if a client qualifies for these funds.

The 'match' money will be provided by "in-kind" donations. The "in-kind" match will be used through volunteer time by the ECMA and part of the rent, utilities, salaries and telephone expenses paid by FCFH.

Troy Hickman moved, Dick Bedard seconded that a grant application request from First Call for Help for the City to apply for a \$25,000 Emergency Shelter Grant from the Kansas Department of Commerce and Housing, be approved

Vote: Ayes: Henry Schwaller IV
Larry Schmidt
Troy Hickman
Sunell Koerner
Dick Bedard

10. "NO FUND WARRANTS" FOR HAYS PUBLIC LIBRARY: Melanie Miller, Director of the Hays Public Library said she was informed by the Ellis County Clerk prior to the issuance of the first tax distribution that an error had been made by the Ellis County Clerk in calculating the 2001 mill levy. The mill levy which was set at 0.001, should have been set at 0.564. Therefore, instead of levying for a \$66,352 tax liability to fund the Hays Public Library Employee Benefit Fund, the taxes levied will produce only \$118.

After consultation with the Library's auditor, Tom Carpenter of Mapes & Milles, the Division of Accounts and Reports, and the Board of Tax Appeals of the State, the Library Board recommended that no-funds warrants be issued by the City to fund the deficit.

Commissioner Bedard asked if there was a way to avoid issuing no-fund warrants. City Manager Zacharias said the City's financial advisor, David Arteberry of George K. Baum & Company said he would prefer the City did not have to issue no-fund warrants simply because of the disclosure requirement and the additional time and money involved.

Ken Beran, City Auditor, said the City cannot transfer money to the Employee Benefit Fund, but can pay the Library's employee benefit expenses out of cash carry-over in the General Fund and levy to pay back the General Fund in

2002. This method would accomplish the same thing but would avoid the issuance of no-fund warrants.

Henry Schwaller moved, Dick Bedard seconded, that an amount not-to-exceed \$66,352 be allocated out of the City's General Fund cash carry-over to cover Library Employee Benefit expenses for 2001, and additional dollars be levied in the 2002 Budget to reimburse the City's General Fund.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

11. SOUTH RUSSELL WATER OPTION REVIEW: Commissioner Schmidt asked that the South Russell Water Option Project be placed on the agenda for further discussion. Commissioner Schmidt stated that in talking with a multitude of individuals, there seems to be a consensus that further scrutiny is necessary for this project. He is proposing that all preliminary engineering be completed, the data and cost estimates be collected and compiled, and the water rights be secured from the State in this area. At that point, all work and funding would be suspended. He feels an outside third party should be hired to independently review all available data, then make the necessary recommendations. Final water costs need to be accurately estimated and information regarding water quality and quantity and availability should be reviewed.

Jayne Clarke, former Mayor and member of the Public Wholesale Water Supply District, stated that the Wholesale Water Supply District Board strongly believes in this Project. The District has no problem with further scrutiny of the project, but any delays may affect the financing options of the Project. The Kansas Department of Health & Environment has agreed to lend the City \$16 to \$17 million dollars at 4.15% interest through the States Revolving Loan Fund. The savings by accessing these funds are about \$2.5 million dollars. These funds are 2001 funds and the City would need to commit to these funds very soon.

Black & Veatch Engineer Jeff Hensen addressed various questions concerning the Project. He said the initial phase includes three wells that have the capacity to draw 400 to 500 gallons per minute and a collector well, which has the capacity to draw 1,700 gallons per minute. For the initial phase of the Project, the District is attempting to secure 4,800-acre feet of water rights. The cost of the Project is estimated between \$21.96 million to \$25.37 million.

Water Supply District Attorney David Traster clarified a misunderstanding in regard to minimum desirable stream flow. If the minimum desirable stream flow at the gauging station is not met, and the Kansas Water Office calls for administration of the minimum desirable stream flow, everyone will be cut off. He proposes to work out a system with the Division of Water Resources about how the collector well gets operated along with the vertical well to minimize the impact of minimum desirable stream flow on this system. There are no new water rights that can be acquired in the State that won't be subject to minimum desirable stream flows.

Mr. Traster said the minimum desirable stream flows have been researched by looking at daily data over a 71-year period and at the Russell/Bunker Hill gauging there were only 19 days when there was no flow. At the Ellsworth gauging station, there has always been flow over the same period.

Ms. Clarke said the water is available, the Project is expandable, the quality of water is excellent with treatment, the Project is affordable and the financing is available. She stressed that timing is crucial in regard to the financing.

Mayor Schwaller and Jim Aubel, local hydrologist, gave a presentation addressing various issues to consider in relation to the South Russell Project. Some points made by Mr. Aubel and Mayor Schwaller include:

- South Russell Supply is variable.
- Quantity - high Chloride content, particularly during low flow.
- Quality – South Russell aquifer is part of the Schoenchen and Big Creek System.
- When water is needed the most, we will not be able to pump it.

- Flow has a direct impact on quality.
- Reverse Osmosis works best with water of consistent quality and quantity.
- The Project has been designed prior to acquiring water rights.
- The City needs to first demonstrate and substantiate need for additional water rights.
- The City will be granted new water rights for South Russell after we demonstrate our need.
- It is recommended that an independent third-party consultant be hired to evaluate the Project and make recommendations.
- It is recommended that the water right application be finalized with the Division of Water Resources.

Mr. Aubel said it is not uncommon for a third party to conduct a review of a large project; this has nothing to do with the credibility of Black & Veatch.

Commissioner Schmidt said he concurred with the findings of Mayor Schwaller and Mr. Aubel. A large project requires checks and balances. It is better to have someone look over the Project. We are not looking at a long-term stoppage of the Project.

Former Mayors Eber Phelps and Robert Albers spoke in favor of the Project and were opposed to any delays. Dr. Albers said water exploration has been studied for over ten years. There are volumes of information available. If there are questions, it is time to read the available information, instead of making accusations that the District is hiding something and not giving all the information. Dr. Albers wants to make sure the public knows that if we get down the road and need financing, and it is not available, he doesn't want anyone coming back to the Public Wholesale Water District and say the District didn't do their job.

Mr. Phelps said he was on the Commission during the water crisis in 1992. This crisis put the Commission in a reactionary mode. We were in a drought and running out of water. He does not want anyone to have to go through what the citizens went through in 1992. Delaying this project now has some serious implications including possible loss of financing. The SRF Loan

has a large amount of money available, but there are 600 municipalities in the State, many have projects that are important to them. The money may be there today, but not tomorrow.

Commissioner Schmidt said the Revolving Loan could be accepted. We are not stopping the Project, we're wanting someone to look at the Project; mistakes do happen.

Commissioner Koerner asked Mr. Hensen if he had objections to having another engineer review the Project. Mr. Hensen said it is not unusual to have other engineers look at a Project. Black & Veatch stands behind their work; the Project has internal checks and balances. Black and Veatch has nothing to hide and is not afraid to have their Project reviewed.

Commissioner Hickman said he is confident with the work and research and doesn't believe a delay for review is necessary. It is natural to feel a little anxious in undertaking a project of this magnitude.

Commissioner Bedard said the ½ cent sales tax is being collected to find water. The Project has been reviewed and he feels comfortable that Black & Veatch have the necessary internal checks and balances.

Mr. Hensen said it has never been Black & Veatch's desire to mislead anyone. During a real drought, the South Russell Wellfield will not produce much water, but because the Big Creek Wells, the Schoenchen Wells and the Dakota Wells have not been pumped hard, they will be full because they have not been pumped down like it was in the early 90's.

Commissioner Schmidt said if all the City's money has been put into South Russell, and it is shut off due to low stream flow, there will not be enough water for growth and drought. Mr. Hensen said he has never been his opinion that the South Russell Project was the ultimate solution for the community, but this Project gets pipe line half way to Wilson Lake and Kanopolis Dam.

Commissioner Koerner asked Public Wholesale Water Supply District Director Laverne Squier if he could foresee any problems with not having water rights in getting a Revolving Loan. Mr. Squier said KDHE has a schedule of

activities for the Project and realizes we can only proceed so far without water rights; it should not be a problem.

Commissioner Koerner ask if drought occurs during construction of the South Russell Project, would we have the ability to expand Schoenchen as a quick fix until the South Russell Project is completed. Mr. Squier said remediation of the Schoenchen Wells has fewer issues to address, it should not be that difficult to redirect to Schoenchen.

Larry Schmidt moved, Henry Schwaller seconded, that the City hire an outside third party to review all available data in connection with the South Russell Water Project, and make necessary recommendations to the City Commission in as timely a fashion as possible.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

No: Troy Hickman

Sunell Koerner

Dick Bedard

12. HOUSING TAX CREDIT RESOLUTION: A Resolution was presented which supports an application for housing tax credits to the Kansas Department of Commerce on behalf of Farnam Group Resources, Inc. to construct a 42-unit affordable senior housing residence in Hays.

Galen Romme, representing Romme Real Estate, said the proposed residence will be located at 29th and Hall. The development will be designed for senior independent tenants and will be affordable across the range of income levels. Rent will vary depending upon income levels.

City Manager Zacharias noted that passing this Resolution endorses the Project, but does not obligate the City to any financial commitment.

Dick Bedard moved, Troy Hickman seconded, that Resolution No. 368, being a Resolution supporting an application for housing tax credits to the Kansas Department of Commerce on behalf of Farnam Group Resources, Inc. to construct a 42- unit senior housing residence in Hays, be approved.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Dick Bedard

Absent: Sunell Koerner

13. HALL STREET ENGINEERING ADDENDUM: Engineer Kurt Hassler presented a contract extension with Cook, Flatt & Strobel for the design of Hall Street improvements from 27th Street to 8th Street. The original contract amount is \$225,500. The contract extension is for an amount not-to-exceed \$31,115. This extension is for additional survey and design work to be done on the north side of O'Loughlin School and an additional amount needed for redesign from four lane back to three lane.

Henry Schwaller moved, Larry Schmidt seconded, that an addendum to the contract not-to-exceed \$31,115 with Cook, Flatt and Strobel for engineering services associated with the reconstruction of Hall Street from 27th to 8th Street, be approved

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Absent: Dick Bedard

14. NUISANCE ABATEMENT: Code Enforcement Officer Jim Cech reported that a complaint was received on April 2, 2001 regarding a nuisance on property located at 717 East 7th Street. Pictures were taken and a courtesy letter was sent giving the property owner five days to clean up the property. On April 15, the property was checked and nothing had changed. A certified letter was sent at that time giving an additional 10 days for the property to be cleaned up. On April 30, 2001 the property was inspected and there was still no change. Fire Chief Roger Rife spoke to the owner today and made him aware that a Resolution authorizing the City to abate the nuisance would be considered at tonight's' meeting. Mr. Cech presented pictures taken earlier today, which show that no progress is being made to clean up the property.

City Manager Zacharias noted that the Resolution authorizes the City to clean up the property and place the charges on the tax roll if it is not cleaned up in ten days.

Larry Schmidt moved, Dick Bedard seconded, that Resolution No. 369, authorizing the City of Hays or its designated agent to abate nuisances located at 717 East 7th Street, Hays, Kansas, be approved.

Vote: Ayes: Henry Schwaller

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

15. COMMISSION INFORMATIONAL MEMORANDUM: City Manager Zacharias said he has received a proposal from the Big Creek/Prairie Acres Sewer Districts. The proposal will be an item for discussion at the next commission meeting.

City Manager Zacharias said he intends to sign a Memorandum of Understanding in regard to the use of the Colorado Timing System unless the Commission raises objections. The “Memorandum of Understanding” states the Hays Medical Center reserves the right, with the City Manager’s approval, to arrange for use of the Colorado Timing System at other events sanctioned by the Center for Health Improvement.

City Manager Zacharias introduced Hashem Rasheed, the representative from the National Development Council who was hired to review the Downtown Development Project. Mr. Rasheed said he was very impressed with the history of the community and sees great potential for the City, especially the downtown.

16. EXECUTIVE SESSION: No executive session was necessary.

17. ADD-ON ITEMS: Commissioner Hickman asked City staff to check into a “poop scoop” ordinance for the City.

Commissioner Hickman said he has put his heart and soul into the Public Wholesale Water Supply District. Based on some comments made tonight about his ability to serve on the Water Supply District Board, he asked the Chairman to

accept his resignation from that appointment. Mayor Schwaller declined to accept Commission Hickman's resignation, and said the issue should be discussed at the next meeting.

Commissioner Schmidt questioned the status of the Aubel-Bickle Park restrooms. City Manager Zacharias said the City received information regarding cost to finish the restrooms today. The item will be placed on the next agenda.

Thereupon the Governing Body adjourned.

Submitted By: _____

Clerk of the Board