

MINUTES OF A MEETING OF
THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JUNE 8, 2000

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session, Thursday, June 8, 2000, at 7:30 p.m.

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

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

2. MINUTES: Howard Rome moved, Larry Schmidt seconded, that the minutes of the regular session held on May 25, 2000, be approved.

Vote: Ayes: Henry Schwaller IV
Larry Schmidt
Howard Rome

3. CITIZEN COMMENTS: There were no comments.

Commissioner Billinger joined the meeting at this point.

4. CONSENT ITEMS: Larry Schmidt moved, Henry Schwaller IV seconded, that Consent Item A be discussed and voted on separately from Items B-C-D-E and further that Items B-C-D-E, listed as follows, be approved:

B. Accept the Mayor's appointment to the following boards:

Golf Course Advisory Board: Doug Huston – three year term expiring
July 1, 2003

Karen Beery – three year term expiring
July 1, 2003

Trades Board: Jim Walters – unexpired term expiring August 27, 2000

- C.** Authorize the Mayor to sign a lease with Sykes Enterprises for Municipal Park for June 24, 2000.
- D.** Authorize the Mayor to sign a lease with Wild West Festival, Inc. for Municipal Park from June 30 through July 5, 2000.
- E.** Authorize the closure of various streets as requested by the Wild West Festival, Inc.

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

A. Vice-Mayor Schwaller stated he has some concern about the number of accidents at the 17th and Fort Street intersection.

Community Development Coordinator Kent Laas stated that over time the accidents were not that great in number. Most accidents that have occurred have been because of failure to yield to east or west bound traffic.

Commissioner Schmidt stated that Fort Street is the only street that does not have a stop sign along 17th Street between Hall and Vine Street.

Mr. Laas stated that 17th Street is a collector street and the more impediments placed upon the street, the less people will use it. 17th Street is the only street between 13th Street and 27th Street that offers through traffic from Hall Street to Vine Street.

Commissioner Rome stated that he felt people would use alternate routes to travel east and west instead of using 17th Street.

Commissioner Schmidt requested a listing of the accidents for the last five years at that location.

Larry Schmidt moved, Henry Schwaller IV seconded, that further discussion of the placement of an additional stop sign at 17th and Fort Street be tabled until more information regarding accidents at that location is received.

Vote: Ayes: Henry Schwaller IV
Larry Schmidt
Wayne Billinger
No: Howard Rome

Item 6 (Part 2) was discussed next.

6. BUDGET REQUESTS: Jerome Waltner and Robert Pfeifer, representing the Ellis County Historical Society, addressed the Commission to request funding for their 2001 budget. The Ellis County Historical Society is requesting \$7,000, which is a \$500 increase over 2000 funding.

Mr. Waltner spoke on various activities and education displays that are funded through ECHS. Their intention is put more money into advertising, exhibits, and archival/curatorial supplies.

5. DOWNTOWN DEVELOPMENT: Lavern Squier, Ellis County Coalition for Economic Development Director, addressed the Commission regarding the formation of a group for downtown development activities. A number of people have indicated they would be willing to commit time and energy to this project. The group has also solicited potential investors in funding such a project to complement any investment made by the City of Hays.

Chuck Comeau stated the goal of the group is to purchase and renovate six buildings in downtown Hays in order to promote retail activities.

Chamber of Commerce Director Gina Riedel stated this is an exciting project and the Chamber will do whatever it can to assist the group.

Kim Hodny, a member of the planning group, spoke on the potential of bringing back some of the historical beauty of downtown Hays.

First National Bank President Alan States presented information regarding financial issues and options on the purchase of the property. Initial plans call for a development group to exercise the purchase options with seed money. Local banks would then step in to lend funds. The downtown development group would then develop the property. If the project were not successful, the assets would be liquidated.

Lavern Squier stated the group might be able to come together under the Hays City Foundation umbrella. The Foundation was created several years ago but has not been active in recent years. By using the Foundation there may be some tax deductibility to any donations for seed money.

City Manager Hannes Zacharias stated the Foundation could be a vehicle for receiving contributions. The Foundation Board of Directors would be responsible for the disbursement of monies. The Commission needs to determine how much influence they would like to have over any donations made in behalf of the City of Hays. No one from the City is on the Board at this time. Mr. Zacharias stated there is not a lot of cushion from the General Fund to donate to this cause, but he understands the need to provide seed money.

Vice-Mayor Schwaller stated he felt the City should be an active partner in this endeavor. The buildings are historically significant and beautiful. The City can provide seed money; the City can be helpful in creating zoning that is helpful and applicable to this area; and the City can create a tax district for this area that will not penalize people for making improvements to their property.

Commissioner Rome stated the City has a lot to gain from this venture. Increased sales mean increased sales tax revenue. He would support seed money in the amount of \$100,000.

Howard Rome moved, Larry Schmidt seconded, that the City of Hays provide \$100,000 to the Hays Foundation for use as seed money for downtown development.

Commissioner Billinger stated the Commission should decide who would represent the City's interest on this Board.

Mr. Squier stated there would be a cross representation of citizens on this Board. The Mayor or his designee could represent the City. Non-voting members could be other City staff members.

Mr. Zacharias stated the City could request the Board to modify their by-laws to allow for a Commissioner to be a member of the Foundation in exchange for the money.

Howard Rome amended his motion to state that \$100,00 be authorized to be spent for downtown development payable to the Hays Foundation, provided that the money is used only for downtown development and that the Hays Foundation alter its representation to include one member of the City Commission as chosen by the Commission at large. Larry Schmidt seconded the amended motion.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Howard Rome

Wayne Billinger

6. BUDGET REQUESTS: Part 1. Stan Unruh, Lavern Squier, and Dr. Earl Carlson, representing the Ellis County Coalition Development Board, requested \$70,000 in funding for 2001. Additionally, the Coalition requested \$15,000 for “The Fly Hays” marketing effort that promotes Hays as a regional airport.

The Coalition has dealt with a variety of issues that are important to this community. Water issues, air service issues, retail/regional marketing issues and local employer needs have been at the forefront, and will continue to be for the foreseeable future. Upcoming issues will include the renewal of our Strategic Plan with input from the City and other investors, additional focus on skilled job recruitment, and land acquisition/preparation issues concerning more developable industrial/business park tracts.

Part 2 (Ellis County Historical Society) was discussed prior to Agenda Item 5.

7. WATER INITIATIVES RESOLUTION: A. Larry Schmidt moved, Howard Rome seconded, that Resolution No. 336, being a resolution supporting Public Wholesale Water District #15’s initiative to develop the South Russell County Water Well Field, be approved.

City Manager Zacharias stated that the passage of this resolution puts this Commission behind the project that was put forth by PWWD #15 at the last Commission meeting. It will not bind future Commissions. It sets the direction for City staff and PWWD #15 staff to proceed with the project at full speed.

Lavern Squier stated that the next step would be to work towards the necessary agreements with District member communities. The City would be officially bound by the agreements at the time that the agreements are signed.

Vice-Mayor Schwaller stated the one question that keeps getting asked is "What is going to happen to the R-9 Ranch?" Will it be the South Russell County project or the Ranch? What should the Commission do about that?

City Manager Zacharias stated the R-9 Ranch is a long term water asset, where the South Russell County Water Project is an intermediate asset, with a completion date of 2003 expected, instead of 2013 for the Ranch. It is a substantial source of water that may last 25-30 years, leaving the R-9 Ranch to go beyond the 30-70 year range.

Commissioner Rome asked why the City could not have expanded the Dakota Well Field, whose water needs to be desalinized, since the South Russell County Water Project water will also need to be desalinized?

Mr. Squier stated it is an issue of blending. The water from the Smoky Well Field is being treated for hardness. The Dakota water is soft and high in fluoride and chloride concentrations. As more Dakota water is used more treatment is required. If the Dakota well field were to be expanded, the productivity of the existing wells would be jeopardized. The Dakota well field was the quickest source of water in 1992 when our water supply was at a critical stage. The well field now works at a minimal level, but stands ready to be used at peak times. More use would require more treatment, rather than just blending.

Mr. Squier stated there is nothing available in this area that will meet our needs, hence we need to look outside of our area. The quality of the water in the South Russell water field varies from well to well. In order to provide good quality water on a steady, reliable basis, the water needs to be desalinized on a daily interval. Mr. Squier stated the community cannot wait until government regulations allow the City to draw water from R-9 Ranch. The South Russell County option will come on line and fill the gap in between.

Commissioner Schmidt stated he felt that once we get all the paperwork in order, the City should consider selling the R-9. The South Russell Water Project

could be financed from the sale of the ranch. The likelihood of anyone getting water from that ranch in our lifetime is very slim. Government regulations, local resistance, and the quality of water make this a very marginal option.

Vice-Mayor Schwaller stated he supported the Resolution. It will be expensive; the water is needed for day to day existence and future growth. It would be prudent to have another public discussion about the ranch and perhaps a possible sale.

Dr. Robert Albers, 1106 Pinehurst, a former City Commissioner and currently a member of PWWD #15, addressed the Commission. Dr. Albers stated the existence of good quality water would become more difficult to find over the years and decades to come. There are no guarantees that the assets you own now as a water resource will be there 30-50 years from now. This is what happened when Cedar Bluff Dam was constructed. Prior to the Cedar Bluff Dam, the Smoky River was a viable, good water source.

Dr. Albers stated that water from R-9 will need to be treated, just as all our other water sources are being treated. It's tempting to sell it and use the money to pay for the South Russell Water Project, but how big will this community be 100 years from now; what will the water requirements be 100 years from now? This community has always battled with obtaining and maintaining an adequate water supply. The City should hold on to this asset, it will not be that easy to get it in the future.

The Vice-Mayor called for the vote.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Howard Rome

Wayne Billinger

B. City Manager Zacharias reviewed the proposed resolution supporting the contemplated expansion of the Schoenchen Well Field. The expansion of the existing withdrawal area of the Schoenchen Well Field will double the "safe yield" from this well field to a total of 2,000-acre feet during a five (5) year drought scenario. Presently, that "safe yield" is 1,000-acre feet. The total estimated cost

for such rehabilitation, including engineering services, is estimated to be \$2,000,000. Funding will come from proceeds of the ½ cent water exploration sales tax with expectations the project be completed January 1, 2002. Harvesting more water out of an existing well field is the cheapest and best return on our investment at this point in time.

Commissioner Schmidt stated that approximately 21 million dollars would be spent to the South Russell County Water Project. If actual costs run higher than engineering estimates, the City could be taxing itself too close to the limit. Since the turn around time on the Schoenchen project is very short, he would like to hold off until the City gets further along on the South Russell County Water Project.

City Manager Zacharias stated the concern is that we don't know if we are heading into a drought situation. The City needs to be able to deliver water to the consumer when the consumer wants it. This is a fast way to do that.

Public Works Director Elden Hammerschmidt suggested that the preliminary exploration and pre-engineering activities for the Schoenchen well field be started. A decision on how to proceed with the rehabilitation could be made after definite cost figures are available for both well fields.

Jeff Henson, Black and Veatch engineer, stated the preliminary exploration phase (Phase I) would cost approximately \$76,000; the preliminary engineering phase (Phase II) would cost \$43,000.

Commissioner Schmidt stated he would feel comfortable doing Phase I and Phase II at this time.

Larry Schmidt moved, Wayne Billinger seconded, that Phase I and Phase II of the Schoenchen Well Field Project, costing \$119,000, be approved.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Howard Rome

Wayne Billinger

8. COST ESTIMATES TO PLACE SIDEWALK ON 41ST STREET: City Engineer Kurt Hassler presented a preliminary estimate for creating a sidewalk along the

south side of 41st Street from Hall Street west to Post Road. To remove trees and construct a sidewalk 4,300 feet long by 5 foot across would cost approximately \$259,792.75.

Vice-Mayor Schwaller stated he was against removal of the trees if they are located in the right-of-way. The City should enter into a dialogue with the owners of the trees and determine where the property lines are located.

Commissioner Schmidt suggested a survey be done to determine if the trees are in the right-of-way.

Mr. Hassler stated that in the next few weeks annexation papers for 41st Street will be drawn up and the area could be surveyed at that time. The City could work with property owners along that stretch to work up a solution.

Larry Schmidt moved, Wayne Billinger seconded, that a survey be conducted to determine the right-of-way along 41st Street from Hall Street to Post Road, at a cost not to exceed \$2,000.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Howard Rome

Wayne Billinger

9. NEIGHBORHOOD REVITALIZATION DISTRICT: Community Development Coordinator Kent Laas reviewed the proposed Neighborhood Revitalization District, which was established last summer. There are 1,214 parcels in the District.

City Manager Zacharias stated the Commission should decide if they wanted to keep the District this large. With 1,214 property owners vying for tax rebates, there will be higher administrative costs associated with processing applications. At this point, no one knows who will bear that responsibility. If the intent is to focus on downtown to encourage development, the area could be made much smaller. If the intent is to also develop residential areas surrounding the downtown area, that should be defined more clearly.

Commissioner Rome stated the area as presently defined is too large.

Mark Bannister stated the reason the District is so large is because it made it easy to define by using City boundaries. The ad hoc task force's intentions would be met by reducing the area to the downtown business core and the surrounding neighborhoods.

After discussion, it was decided to reduce the Neighborhood Revitalization District. The boundary lines are to be from 4th and Oak Street north to the alley north of 13th Street, west to Elm Street, south on Elm Street to 8th Street, west on 8th Street to Park Street, south on Park Street to 6th Street, west on 6th Street to Elm Street, south on Elm Street to the point where Elm Street connects with Main Street, north on Main Street to 4th Street, then east to the point of beginning.

City Manager Zacharias stated it could be possible to provide some incentives for areas surrounding this designated area. The core area would be provided with greater incentives than the surrounding area. A plan will be developed and presented to the Commission at a later date.

10. WASTEWATER TREATMENT PLANT STUDY: Larry Schmidt moved, Howard Rome seconded, that the City of Hays enter into a contract with Barlett and West Engineers to conduct a capacity study, Phase I and Phase II, at the Wastewater Treatment Plant, at a cost of \$19,900.00.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Howard Rome

Wayne Billinger

11. EXECUTIVE SESSION: Wayne Billinger moved, Howard Rome seconded, that the Governing Body adjourn to executive session at 10:30 p.m. for 15 minutes to discuss union negotiations. The executive session will include the City Commission, the City Manager, the Assistant City Manager, and the City Attorney.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Howard Rome

Wayne Billinger

Vice-Mayor Schwaller called the meeting back to order at 10:45 p.m. He stated no action was taken during executive session.

12. COMMISSION INFORMATIONAL MEMORANDUM: City Manager Zacharias requested permission to sign a letter to KDOT concerning the Enhancement application. The letter indicates that the City does want to continue with the process of wanting to be considered for Enhancement funding north of I-70.

The consensus of the Commission was to have the City Manager sign the letter.

City Manager Zacharias asked for direction on whether he should approve small items for the Hays Aquatic Park or whether the Commission would like to see every item for approval.

Vice-Mayor Schwaller stated he would like to see all change orders or items purchased for this project. Some of the change orders may be due to potential errors by the engineer or architect. In his opinion, aesthetic change orders under \$10,000 would not need to come before the Commission.

The Commission agreed with Vice-Mayor Schwaller.

13. ADD-ON ITEMS: Commissioner Schmidt requested that liens against downtown property owners from the defunct Business Improvement District be removed from the records. We need to start the Neighborhood Revitalization District Project with a clean slate.

City Manager Zacharias stated he has conferred with the City Attorney and the City will start the process to remove the liens.

Vice-Mayor Schwaller requested that staff compile and include as part of the Commission Informational Memorandum a report on the collections from fuel flowage at the Hays Regional Airport.

Vice-Mayor Schwaller urged the Commission to come to a consensus on the 32/33rd Street project by August 1, 2000 after the roundabout study has been completed.

Thereupon the Governing Body adjourned.

Submitted by: _____

Clerk of the Board