

MINUTES OF A MEETING OF
THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JANUARY 10, 2002

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, January 10, 2002 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: City Attorney John Bird stated that the vote (2-1) to accept the bid from Remediation Contractors in the amount of \$1,670 for asbestos removal and the bid from Western Sales Co. in the amount of \$17,000 for demolition/removal at Massey and Sunrise Pools at the December 27, 2001 meeting was sufficient to accept bid proposals. After the vote, Mr. Bird stated it took three votes to pass; however, upon further reflection, he determined that two votes would be enough to accept the bids.

Troy Hickman moved, Dick Bedard seconded, that the minutes of the December 27, 2001 be approved, as corrected.

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

3. CITIZEN COMMENTS: Paul Koerner, pharmacist at Walgreens Pharmacy, 27th & Vine Street, voiced his concern about the installation of traffic cones that have been placed on the median line on 27th Street east of Vine in front of the

Walgreens north entrance. The cones were placed there to prevent traffic leaving the Alco/Sun Mart south entrance from making a left turn. This has greatly impaired westbound traffic attempting to enter Walgreens north entrance. He requested the cones be removed and some other method of traffic control be investigated.

Mayor Schwaller stated he agrees with Mr. Koerner. He suggested this issue in its entirety be discussed at a future Commission meeting.

Henry Schwaller IV moved, Larry Schmidt seconded, that the traffic cones placed on East 27th Street east of Vine Street be removed immediately.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

4. CONSENT ITEMS: Troy Hickman moved, Dick Bedard seconded, that the Mayor be authorized to enter into a contract with Bucher, Willis and Ratliff for the 2002 Slurry Seal Project for an amount not to exceed \$38,600.

Mayor Schwaller stated he would like to see what the City Engineer's priorities are. This is the type of work he thought the Engineering Department would be performing.

Interim Manager Dorothy Stites stated that in working with the budget and seeing the projects that are being done, the Engineering Department couldn't do everything. Time has to be budgeted to do the things that the department has the time to do.

Commissioner Schmidt stated the \$38,600 that the City is paying Bucher Willis & Ratliff could hire another inspector in that department. He would rather hire another person than hire out for this project.

The Mayor called for the vote.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

Henry Schwaller IV moved, Larry Schmidt seconded, that the Governing Body adjourn to executive session at 7:40 p.m. for 15 minutes to discuss personnel issues. The executive session will include the City Commission and the consultant for City Manager recruitment.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

Mayor Schwaller called the meeting back to order at 8:00 p.m. He stated no action was taken during executive session.

OLD BUSINESS

5. ADD-ON: Commissioner Schmidt stated he wanted to discuss the Blue Cross/Blue Shield proposed sale to Anthem Insurance Company of Indianapolis and vote to determine how the City will cast its ballot. By consensus, this discussion was added to Old Business.

Commissioner Koerner stated that Blue Cross/Blue Shield of Kansas is very stable and she didn't see why they would want to merge with Anthem Insurance. Blue Cross companies in other states that have merged with Anthem have raised their premiums and deductibles. Anthem is a for profit insurance company and is in business to make money.

Commissioner Schmidt stated Kansas Blue Cross wants a partner and he thinks they picked the wrong firm to merge with. Anthem has well documented problems and has been fined by two states. We should vote against this merger.

Commissioner Hickman stated the merger is a needed one. Most of the comments made about Anthem could be made about many of the other insurance companies out there. The industry as a whole has seen major

increases in insurance premiums. He is in favor of the merger because Blue Cross needs to spread their risk.

Commissioner Bedard stated that many people might not be able to afford higher premiums, so therefore he would cast his vote against the merger.

Mayor Schwaller said he would also vote no. A merger that is as significant and complex and affects so many Kansans should have been better explained.

Larry Schmidt moved, Sunell Koerner seconded, that the City cast its ballot to vote “no” on the merger between Blue Cross/Blue Shield of Kansas with Anthem Insurance Company of Indianapolis.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Sunell Koerner

Dick Bedard

No: Troy Hickman

NEW BUSINESS

6. PUBLIC HEARING-UTILITY EASEMENT: Mayor Schwaller opened the public hearing to hear comments involving the relocation of a public utility easement involving property located in front of the new Wal-Mart Store facility.

Community Development Coordinator Kent Laas stated this easement relates to a request by petition to relocate the public utility easement on Lot 2 located on the northeast corner of Roth Third Addition. The existing easement restricts the buildable width of that property. The property owners are requesting the vacation in exchange for granting a like easement nearby.

There were no other comments.

Troy Hickman moved, Dick Bedard seconded, that the public hearing be closed.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman
Sunell Koerner
Dick Bedard

Larry Schmidt moved, Troy Hickman seconded, that Ordinance No. 3575, being an ordinance vacating a portion of a public utility easement located in the southeast quarter (SE/4) of Section Twenty-one (21), Township Thirteen (13) South, Range Eighteen (18) West of the 6th Principal Meridian, Ellis County, Kansas, be approved.

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

7. CITY MANAGER SEARCH: **A.** Mayor Schwaller stated that during executive session the Commission agreed on a candidate to be hired for the position of City Manager.

Chuck Rohre of Ralph Anderson and Associates reviewed the steps taken during the recruitment search for a new City Manager. Based on interviews with three candidates and the information his firm developed on the three candidates, Mr. Rohre was instructed to enter into negotiations for employment with Randy Gustafson of Sterling, Colorado. Mr. Gustafson has agreed to start employment as the City Manager starting March 1, 2002, at a base annual salary of \$84,000.

B. Henry Schwaller IV moved, Larry Schmidt seconded, that the Mayor be authorized to sign an agreement with Randall L. Gustafson to employ his services as City Manager.

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

8. ORDINANCE REVISIONS: Tom Loker, Chief Building Official, reviewed three ordinances that relate to nuisance complaints. He would like to amend the language so that the procedural requirements of each ordinance coincide.

Discussion was held on the ordinances that relate to junk vehicles, junk salvage, discarded furniture, weeds, filth, trash, dead animals, and other offensive substances. Suggested changes in the language will be reflected in ordinances drafted by the City Attorney and will be presented for approval at a later Commission meeting.

9. PUBLIC WORKS EQUIPMENT AND ARCHITECTURAL BIDS: A.

Equipment bids were received from the following:

	<u>Vendor</u>	<u>Bid</u>
Water Division Pickup	Hays Ford-Toyota	\$22,727.35
	James Motor Co.	23,304.84

Director of Public Works Elden Hammerschmidt stated the bid from Hays Ford-Toyota did not meet specifications and recommended the bid from James Motor be accepted.

Commissioner Schmidt stated the City should start buying work trucks that have manual transmissions and no air conditioning. This would save approximately \$2,000 per vehicle plus gas savings. As long as vehicles have specifications that include air conditioning and automatic transmissions, he would be voting against accepting those bids.

Troy Hickman moved, Henry Schwaller IV seconded, that the bid from James Motor Co. in the amount of \$23,304.84 for a 2002 4X4 pickup be accepted.

Vote: Ayes: Henry Schwaller IV

Troy Hickman

Sunell Koerner

Dick Bedard

No: Larry Schmidt

Service Division Pickup	Younie Motor Co.	21,212.72
	James Motor Co.	21,466.91
	Clay Chevrolet	21,804.97
	Hays Ford-Lincoln-Mercury	22,563.95

Mayor Schwaller noted that there is only a difference of \$254.19 between the local dealer (James Motor Co.) and Younie Motor Co. from Burlington, KS.

Commissioner Bedard stated he would rather keep the bid local with there being such a small difference in bids.

Commissioner Schmidt stated he would like to see it go to the local dealer too, but the bidding policy states the low bid should be taken. The purchasing policy should be changed.

Mayor Schwaller stated the City should give some preference to local vendors, however his goal is to get the best possible equipment at the lowest possible price.

City Attorney John Bird stated that legally the City doesn't need to take bids. The City can accept any bid it wants to, however, if preference is given to local bidders, it needs to be known up front. The reason for the bidding process is to avoid corruption and encourage competition in order to receive the best price.

Henry Schwaller IV moved, Troy Hickman seconded, that the bid from Younie Motor Co., Burlington, KS, for a 2002 ¾ ton 4 X 4 regular cab pickup in the amount of \$21,212.72, delivered, be accepted.

Vote: Ayes: Henry Schwaller IV
Troy Hickman
Sunell Koerner
No: Larry Schmidt
Dick Bedard

Service Division Pickup	James Motor Co.	22,483.41
With Utility Box/Tommy Lift	Clay Chevrolet	18,256.86
	Hays Ford-Lincoln-Mercury	19,111.95

Mr. Hammerschmidt stated the Clay Chevrolet bid did not include the utility box and Hays Ford-Lincoln Mercury retracted their bid December 27, 2001.

Mayor Schwaller stated that custom-made additions to vehicles should be bid separately.

Assistant Director of Public Works Brenda Herrman stated that from an operational perspective, it works a lot better to deal with only one vendor.

Commissioner Schmidt stated that the vendors who sell hydraulic lifts should be able to submit their own bid. If the City experiences trouble with the Tommy Lift, James Motor Co. won't be repairing it; they will take it to whoever sold the Tommy Lift.

Interim Manager Dorothy Stites stated that on a similar purchase for the Park Department last year, it cost more to have the piece added on by a separate vendor than it would have cost with the vendor's vehicle bid.

Dick Bedard moved, Henry Schwaller IV seconded, that the bid from James Motor Co. for a 2002 ¾ ton pickup with utility box and Tommy Lift in the amount of \$22,483.41 be accepted, with the caveat that future bids for add-on equipment be bid separately.

Vote: Ayes: Henry Schwaller IV

Troy Hickman

Sunell Koerner

Dick Bedard

No: Larry Schmidt

Service Division Backhoe	Murphy Tractor & Equip.	70,093.00
With Loader	Foley Equipment	77,375.00
	Victor L. Phillips	73,861.00

Mr. Hammerschmidt recommended the bid from Murphy Tractor & Equipment be accepted.

Troy Hickman moved, Dick Bedard seconded, that the bid from Murphy Tractor & Equipment for the purchase of a 4-wheel drive loader/backhoe with

hydraulic pavement breaker and extra cemetery bucket in the amount of \$70,093.00, be accepted.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

Service Division Motor Grader	Victor L. Phillips	105,736.00
	Murphy Tractor & Equip.	123,467.00
	Foley Equipment	132,875.00

Mr. Hammerschmidt recommended the bid from Murphy Tractor & Equipment be accepted. Victor L. Phillips is losing the Volvo/Champion dealership and there was no indication that a new dealer would be an authorized dealer. The motor graders were demonstrated by the three vendors and evaluated by City employees. Victor L. Phillips demonstrated a Champion and it was rated the lowest in the evaluation process.

Commissioner Schmidt stated that his investigations revealed that the company taking over the Volvo/Champion product line is Van Keppel. They are a larger business and will be putting a dealership in Garden City. He has heard comments that the City would probably receive better service from Van Keppel than it ever did from Victor L. Phillips. The difference between Victor L. Phillips and Murphy Tractor & Equipment is \$19,000. The Volvo/Champion equipment will work for the City.

Larry Schmidt moved, Henry Schwaller IV seconded, for the purpose of discussion, that the bid from Victor L. Phillips in the amount of \$105,736.00 be accepted.

Mr. Hammerschmidt stated the City has had trouble with Champion equipment in the past. It has taken longer to get repairs done; his staff prefers the John Deere grader that was bid by Murphy Tractor & Equipment.

The Mayor called for the vote.

Vote: Ayes: Larry Schmidt
No: Henry Schwaller IV
Troy Hickman
Sunell Koerner
Dick Bedard

Henry Schwaller moved, Sunell Koerner seconded, that the bid from Murphy Tractor & Equipment for a John Deere motor grader in the amount of \$123,467.00 be accepted.

Vote: Ayes: Henry Schwaller IV
Troy Hickman
Sunell Koerner
Dick Bedard
No: Larry Schmidt

Service Division Dump Truck	Lang Diesel	56,400.00
	Money Chevrolet	59,396.74

Dick Bedard moved, Henry Schwaller IV seconded, that the bid from Lang Diesel for a contractor dump truck with a contractor dump bed and 10" Meyer snow plow in the amount of \$56,400.00 be accepted.

Commissioner Schmidt stated he would be voting no because the add-on equipment was not bid separately.

Vote: Ayes: Henry Schwaller IV
Troy Hickman
Sunell Koerner
Dick Bedard
No: Larry Schmidt

Service Div. Street Sweeper	Key Equipment & Supply	129,399.00
	Sellers Tractor	141,593.00

Mr. Hammerschmidt stated \$90,000 was budgeted for a street sweeper.

Mrs. Herrman stated that of the previous six bids for vehicles/equipment, five of the six came in under budget by a total of \$55,344.00. These dollars could be used to pay the difference of \$39,399.00 between the budgeted funds and the bid from Key Equipment & Supply.

Mayor Schwaller stated he doesn't think the City should be buying a street sweeper this year. He feels the \$90,000 should be rolled over into 2003 and a sweeper purchased at that time.

Troy Hickman moved, Henry Schwaller IV seconded, that the Street Sweeper bids be rejected.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

Solid Waste Division	G & H Manufacturing	198,732.00
Packer Bodies	Downing Sales	213,420.00

Henry Schwaller IV moved, Larry Schmidt seconded, that the bid from G & H Manufacturing for three refuse trucks with three compartment packer bodies for a total cost of \$198,732.00, be accepted.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

Solid Waste Division	Maupin/I-70 Truck	193,516.00
Cab & Chassis	Mack Sales & Service	194,071.00
	Mack Sales & Service	201,619.00
	Lang Diesel	216,250.00

Mr. Hammerschmidt stated he anticipated trading in the old water tank truck, a 1981 refuse truck, a 1992 refuse truck and two packer bodies. The above bids reflect bottom line costs including trade-ins. He recommended the bid from Maupin/I-70 be accepted.

Mayor Schwaller noted that there were no exceptions to the bid from Mack Sales & Service. Their bid is \$555.00 more than the lowest bid.

Mr. Hammerschmidt stated he felt the four exceptions on the Maupin/I-70 bid were minor and do not compromise the integrity of the equipment.

Henry Schwaller IV moved, Larry Schmidt seconded, that the bid from Mack Sales & Service in the amount of \$194,071.00 be accepted.

Mr. Hammerschmidt stated the tank truck cab and chassis was worth more to the Solid Waste Division if kept than the trade-in value allowed. This equipment could be used during the annual City clean up. He stated staff expected higher values for the trade-ins, therefore, he would like to keep the tank truck. The difference in trade-in value between Maupin/I-70 and Mack would not change the low bid.

Commissioner Schmidt suggested that this request be considered closer to when the equipment comes in.

Mr. Hammerschmidt requested the motion be amended to state the City reserves the right to trade in or not trade in the tank truck.

Mayor Schwaller amended his motion; Commissioner Schmidt amended his second.

The Mayor called for the vote.

Vote: Ayes: Henry Schwaller IV

Larry Schmidt

Troy Hickman

Sunell Koerner

Dick Bedard

B. Requests for Proposals were sent to three local firms for the office addition at the Wastewater Division. Bucher, Willis and Ratliff submitted the only proposal for a total cost of \$99,150.00. Costs were broken down into three categories:

Architectural Fees	\$ 9,650.00
Office Addition	76,500.00
Roof Replacement	<u>13,000.00</u>
	\$99,150.00

The 2002 Budget has set aside \$70,000 for this project; \$2,000 is available from Professional Services, \$10,000 is available since a transfer to the Solid Waste Division from the Water & Sewer Fund will not be necessary for the purchase of a cab-chassis due to low bids received, and \$13,000 has been budgeted for roof replacement. Combining these funds gives a total of \$95,000 available to be spent on this project.

Mr. Hammerschmidt stated that this still leaves a \$4,000 shortfall, however, the elimination of some of the alternates would easily reduce the amount of the bid.

Mayor Schwaller stated the cost per square foot (\$158) for this addition is very high.

Mr. Hammerschmidt stated he agreed but doesn't think there is another way to resolve this issue. There isn't another location to place even a singlewide trailer. The area is so convoluted with pipes over pipes. No one thinks a cheaper building could be built there.

Henry Schwaller IV moved that a roof replacement for the Wastewater Division office in the amount of \$13,000 be authorized.

Mr. Hammerschmidt stated that the \$13,000 was not a bid; it was a construction cost estimate. The only bid item is for the architectural fees.

The Mayor withdrew his motion.

Troy Hickman moved, Dick Bedard seconded, that the bid from Bucher, Willis and Ratliff in the amount of \$9,650.00 for architectural services for the Wastewater Division roof repairs and office addition be approved.

Mayor Schwaller stated he would be voting no. Even if the bids come in lower than the estimate, this is not a good solution and it is a waste of \$10,000 to design this project.

Commissioner Schmidt stated he would vote for it now, but cautioned that he may not vote for the project depending on the final costs.

The Mayor called for the vote.

Vote: Ayes: Larry Schmidt
Troy Hickman
Sunell Koerner
Dick Bedard

No: Henry Schwaller IV

10. COMMISSION INFORMATIONAL MEMORANDUM: Interim Manager Stites stated the City has received a grant in the amount of \$1,788,000.00 for the reconstruction of 8th Street from Elm to Milner Street. There is an 80% KDOT 20% City match. The Engineering Department was instrumental in acquiring this grant. The project will be let in 2005 with construction in 2006.

11. ADD-ON ITEMS: City Attorney John Bird requested an executive session to discuss property acquisition.

Henry Schwaller IV moved, Troy Hickman seconded, that the Governing Body adjourn to executive session for 10 minutes at 10:35 p.m. to discuss property acquisition. The executive session will include the City Commission, the Interim City Manager, and the City Attorney.

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

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

Interim Manager Dorothy Stites passed out copies of the Agreement for Legislative Lobbying Services from Logan, Riley, Carson & Kaup, L. C. She

noted that there are changes to this agreement and asked the Commission to review the document for further discussion at the next Commission meeting.

Mayor Schwaller stated this year is the most critical for municipalities, mainly due to re-districting. It is important to have strong representation in the Capitol to make sure that the City has one representative for one district in Hays. This lobbying firm will not be able to do that. He recommended they not be hired.

City Attorney John Bird agreed. A lobbyist was originally hired to monitor our water issues. Another lobbyist may be able to meet our present needs better than Logan, Riley, Carson & Kaup.

City Clerk Susie Berger stated that she has visited with Dave Arteberry from the George K. Baum Company about refinancing City bond issues. He informed her that there is misconception about refinancing on large long-term bond issues. When a bond issue is refinanced, if it is not a callable issue, the bond proceeds go into an escrow account, which is earning interest, however the city is also paying interest on the bonds. The margin between the two rates is not great enough to merit doing a refinancing.

Commissioner Bedard commented on the in-pavement lights recently installed in the crosswalk on Hall Street near 28th Street. He thinks that eventually drivers will become accustomed to the lights and will stop for pedestrians crossing.

Mayor Schwaller stated he thinks there needs to be some signage and enforcement.

Commissioner Koerner stated she has heard a lot of negative comments about the speed hump that has been placed on Fort Street.

She requested that the Traffic Advisory Committee re-study the issue of re-striping 13th Street from the current 2-lane configuration to a 3-lane configuration in the 200 and 300 block of West 13th Street.

Commissioner Schmidt stated he has had requests that the island located south of 27th and Vine Street and the island at 25th and Main Street be painted to make them more visible.

Director of Engineering Kurt Hassler stated he also has received calls and those islands have been painted with a reflective paint that lasts 3-4 weeks depending on the weather. He is doing research to find a product that will adhere longer.

Mayor Schwaller requested that the purpose of the Traffic Advisory Committee be reviewed at the next Commission meeting.

Thereupon the Governing Body adjourned.

Submitted by: _____

Clerk of the Board