

MINUTES OF A MEETING OF
THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON MAY 22, 2003

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, May 22, 2003, at 7:30 p.m.

Roll Call: Present: Troy Hickman
Kent Steward
Wayne Billinger
Henry Schwaller IV
Absent: Sunell Koerner

Chairperson Hickman stated that a quorum was present and called the meeting to order.

2. MINUTES: There were no objections to the minutes of the May 8, 2003 regular meeting; they were approved as written.

3. FINANCIAL STATEMENT: City Manager Randy Gustafson stated sales tax receipts for the year are below last year's receipts by approximately 5%. Overall, the General Fund is ahead of last year for this time by approximately 9%.

Wayne Billinger moved, Kent Steward seconded, that the Financial Statement for April 2003 be approved.

Vote: Ayes: Troy Hickman
Kent Steward
Wayne Billinger
Henry Schwaller IV

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: Henry Schwaller IV moved, Troy Hickman seconded, that the following items be approved:

A. Mayoral Appointments: Convention and Visitors Bureau Advisory Committee
Rita Stramel – unexpired term expiring 12-1-04

Sister Cities Advisory Board

Tom Thomas – 3-year term expiring 1-1-06

B. A Cereal Malt Beverage License for Professor's Restaurant, 521 East 11th St.

C. A park lease agreement for Doerfler Harley Davidson for use of Municipal Park on August 23, 2003.

Vote: Ayes: Troy Hickman

Kent Steward

Wayne Billinger

Henry Schwaller IV

D. Public Works Director Brenda Herrman stated all procedures have been followed in regard to the property nuisance at 2503 Indian Trail. To date, no action has been taken by the owner to clean up the property.

Kent Steward moved, Wayne Billinger seconded, that Resolution No. 429, being a resolution authorizing the City of Hays or its designated agent to abate nuisances located on the property at 2503 Indian Trail, Hays, Kansas, be approved.

Vote: Ayes: Troy Hickman

Kent Steward

Wayne Billinger

Henry Schwaller IV

NEW BUSINESS

6. SALES TAX AND REVENUE (STAR) BOND PROGRAM: City Manager Gustafson requested clarification from the Commission regarding the wording of a resolution regarding the use of Sales Tax and Revenue (STAR) Bonds or Transportation Development District (TDD) financing for new development incentives. He recommended the Commission approve a resolution indicating that it would consider participating in the issuance of STAR Bonds or TDD financing if the developer were to go through the due diligence process. He

suggested that no particular area of town be stated in the resolution, but rather have the resolution be a statement of interest and intent.

Commissioner Billinger stated he would like to have the resolution worded as the City Manager stated; every situation could be dealt with on a case by case basis.

Commissioner Schwaller agreed that there are many areas in the community that could benefit from the use of either of the two types of financing incentives. It would be best to leave the resolution open-ended and allow a developer to make an investment in an area of his choosing.

A resolution will be prepared stating the Commission's intent to look at any project brought before the Commission. Each project will be considered on a case by case basis using either STAR Bonds or TTD financing. Additionally, the developer will need to perform due diligence.

Commissioner Schwaller commented that Hays would be the first community in Kansas other than Wichita to proactively address using STAR Bonds as a form of incentive.

7. CARE COUNCIL 2003 DISTRIBUTION OF FUNDING: Pat Parke, representing the Care Council, reviewed the CARE Council recommendations for distribution of 2003 budgeted funds to the following local agencies:

Human Resource Funds:	American Red Cross-Ellis Co. Chapter	\$6,000
	Big Brothers, Big Sisters	5,000
	Cancer Council of Ellis County	3,500
	CASA of the High Plains, Inc.	4,000
	Ellis County Ministerial Alliance	7,000
	Foster Grandparent Program	3,500
	Hays Area Children's Center	4,000
	Northwest Kansas Family Shelter	8,000
	Senior Companion Program	<u>1,500</u>
	Total	\$42,500

Alcohol Tax Dollars:	Dream, Inc.	\$22,000
	Smoky Hill Fnd.Chem.Depend.	15,000
	Regional Prevention Center	<u>11,000</u>
	Total	\$48,000

Henry Schwaller IV moved, Wayne Billinger seconded, that the recommendations of the Care Council be accepted.

Vote: Ayes: Troy Hickman
Kent Steward
Wayne Billinger
Henry Schwaller IV

8. WATER AND SEWER REVENUE REFUNDING BONDS – SERIES 2003 AND SALES TAX REVENUE REFUNDING BONDS – SERIES 2003: Dave

Arteberry, first vice-president of George K. Baum and Co. in Kansas City, MO, updated the Commission on the bond market and the savings that could be realized by refinancing Water and Sewer Revenue Refunding Bonds and Sales Tax Revenue Refunding Bonds.

Mr. Arteberry stated that it is possible to take advantage of historically low interest rates. Based on interest rates today, it is possible to reduce total debt payments by approximately \$336,120 and reduce the interest rate to approximately 2.40%. This process will retire both series of bonds one year earlier than currently scheduled without costing the City any additional money.

Mr. Arteberry presented information indicating three ways that the savings could be achieved. If the savings were taken in the last two years the net savings would be \$217,320. Another option would be to keep the same final maturity date of the bonds and lower the payments each year by approximately \$31,000. This would amount to about \$176,000 in total savings. The third option would be to take all of the savings up front. In that case approximately \$137,000 would be generated in savings and taking adjustments into account, a total savings of \$142,000 may be realized.

Commissioner Schwaller stated he would prefer to take the savings now. It would be more beneficial to take the savings now given the time value and volatility of money. His second choice would be to lower the annual payments each year. With the third option, there would be six years of virtually no savings.

Mr. Arteberry stated that the present value of savings in any of the three options isn't very different from one scenario to the next. He advised the Commission to use this as a tool and take the savings in a manner that would be the most beneficial to the City.

The consensus of the Commission was to take the savings up front on both of the refunding bonds.

George K. Baum and Co. will start marketing these bonds around June 9th. Interest rates will be established at that time and he will report back to the Commission at the June 12th Commission meeting with the final results.

Henry Schwaller IV moved, Kent Steward seconded, that Resolution No. 428, being a resolution authorizing the offering for sale of approximately \$1,935,000 principal amount of Water and Sewage System Revenue Refunding Bonds, Series 2003 and approximately \$1,435,000 principal amount of Sales Tax Revenue Refunding Bonds, Series 2003, of the City of Hays, Kansas, and approves the Preliminary Official Statement, be approved.

Vote: Ayes: Troy Hickman
Kent Steward
Wayne Billinger
Henry Schwaller IV

9. 5-YEAR PLAN WITH KDOT: City Manager Gustafson stated this is a request for KDOT to program funds for the construction of roadway improvements under the Statewide Transportation Improvement Program. Including the extension of 22nd Street from Canterbury to Commerce Parkway in the 5-year plan will allow the project to be eligible for 80/20 matching funds in FY 2008. Staff is looking to see if it would be feasible with KDOT and the City's debt service to move this project up for consideration to an earlier date.

Henry Schwaller IV moved, Wayne Billinger seconded, that the Mayor be authorized to sign the Department of Transportation (DOT) Form 1302, Request for Construction Project, to include 22nd Street construction in the Statewide Transportation Improvement Program.

Vote: Ayes: Troy Hickman

Kent Steward

Wayne Billinger

Henry Schwaller IV

10. ODOR ISSUES INVOLVING THE WESTERN KANSAS AGRICULTURAL RESEARCH CENTER AND THE FORT HAYS STATE UNIVERSITY (FHSU)

DAIRY FARM: Commissioner Steward made a request at the May 15th work session for staff to investigate whether anything could be done about the odor from cattle at the Kansas State University Agricultural Research Center. The odor smothers much of the City and detracts from the City's image and hampers tourism efforts.

Assistant City Manager Dorothy Stites contacted Pat Coyne at the Agricultural Research Center and explained that while the City Commission recognizes the value that the Research Center served in the community, there was a concern on the odor emanating from the Center. She indicated the Commission wanted to meet to discuss the issue and possibly find a solution. Mr. Coyne indicated his reluctance to attend a Commission meeting. Mrs. Stites also contacted the Fort Hays State University Dairy Farm by phone and email, but has not received a response back.

Staff will conduct further research to see if there are any alternatives available to resolve this problem.

11. REPORT OF THE CITY MANAGER: The City Manager stated the report included in the agenda packet covered the items he wished to report.

12. COMMISSION INQUIRIES AND COMMENTS: Commissioner Schwaller requested staff proceed with the process to adopt a charter ordinance exempting the City of Hays from state liquor laws and allow for the sale of liquor on Sundays and certain holidays through licensed liquor stores. Kansas cities are in a unique

position to use Home Rule to allow cities to pass laws that exempt a city from state law if these laws are not uniformly applied across the state. A recent court decision has held that the Kansas liquor laws as written in 1949 are not uniformly applied across the state. The Attorney General is appealing this decision but has indicated that he may possibly lose. Municipalities are free to make this change until such time as the Legislature acts to close the loopholes in the liquor laws.

Commissioner Schwaller stated this could be achieved by one of two ways. A public election could be held first; if the voters choose to pass the issue, then a charter ordinance exempting the City of Hays would have to be passed by the Governing Body. However, it is not required to have a public election first. The second option would be for the Commission to adopt a charter ordinance by a two-thirds majority without going through the public election process. It would then be published; after a period of 61 days it would become law. If an appeal to the charter ordinance were to be submitted, then it would be necessary to have an election.

Further discussion on this matter will be held at the June 5th work session.

Commissioner Billinger suggested the Park Director get together with the various groups that use Larks Park to review policy and resolve some maintenance issues.

Commissioner Steward stated that at the May 15th work session he suggested that staff do some research about the option of demolishing the Fox Theatre and creating a parking lot in that spot. He is not suggesting that demolishing the theatre is his choice but it should be one of the options the City looks at.

The City Manager thought it might be more effective to discuss this further after the deadline for proposals for use of the theatre. City Manager Gustafson stated the City has not received any proposals to date. Assuming none are received, it will be incumbent upon the Commission to decide whether to accept the theatre without having a community use defined. At that time, the Commission will consider all options for use of the property.

There will be further discussion of this topic at the next work session.

Chairperson Hickman stated he hopes that this year when the 2004 Budget is prepared and social service funding is considered, the Commission first decides how much to allocate to social services and then divide to the various agencies.

Thereupon the Governing Body adjourned.

Submitted by: _____

Clerk of the Board