

SPECIAL CITY COMMISSION MINUTES

December 22, 2008

5:00 p.m.

The special meeting of the Junction City City Commission was held on Monday, December 22, 2008 with Mayor Mick Wunder presiding.

The following members of the Commission were present: Mike Rhodes, Ken Talley, Jack Taylor and Mick Wunder. Staff present was: City Manager Rod Barnes, Assistant City Manager Mike Guinn, City Clerk Tricia Gowen, City Engineer Christina Cook and City Attorney Catherine Logan.

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

Commissioner Rhodes moved, seconded by Commissioner Talley to approve the Consent Agenda. Ayes: Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried. The Consent Agenda consisted of the following:

- a. The consideration and approval of **Ordinance S-3048** amending and supplementing Ordinance S-2777 that authorized the City of Junction City to issue taxable multifamily residential rental revenue bonds (Hunter's Ridge), in a principal amount not exceeding \$20,000,000.00 (**Final Reading**).

PUBLIC HEARING

- a. Public Hearing on **Amending the 2008 Budget**. City Manager, Rod Barnes, informed the Commission that four funds are affected for the 2008 Budget – Capital Improvement, Water & Sewer, Special Highway, and Special Law Enforcement. The Capital Improvement fund consisted of the Capgemini and Ventria payments; the Water & Sewer fund consisted of thirteen payments to Veolia instead of the normal twelve; the Special Highway fund involves the revolving loan programs; the Special Highway fund deals with revenues generated through drug forfeitures. Mr. Barnes stated that there is no impact to property taxes.

Mayor Wunder opened the public hearing on Amending the 2008 Budget.

Mark Sanders, 2726 Glen Dean Road, Junction City, KS inquired when the 2008 budget was filed and the 2007 expenditures listed, why the annual financial report was not ready. He stated that Mr. Barnes said the report would be available to the Commission and put on the City's website. Mr. Barnes stated that the Commission had received the report and the report would be on the City's web site shortly. The Commission had questions about the report and those questions have been addressed. Mr. Sanders stated that the amendments add a considerable amount to the 2008 budget (approximately 26% increase). Mr. Sanders stated that at the first of 2008, more than 1,200 letters were presented to the City asking the Commission to slow down the spending; the letters seem to have been discounted. His concern is management of these funds. He has not heard any discussion of explanations of expenditures. He doesn't believe the City is in its best position and things will only get worse.

City Manager, Rod Barnes, stated that the Commission would be amending the budget they approved in July of 2007. The Commission would be approving transactions on paper that were conducted during 2008. The Staff is asking the Commission to approve the amendments because it is prudent to do so. The amendment covers projects that the Commission approved throughout the year. If the City had known of these projects in July of 2007, the Commission could have included them in the budget process. The City has the revenues to cover these expenditures. Mayor Wunder inquired if the Special Law Enforcement fund had specific uses. Mr. Barnes stated that this fund use is spelled out by State statute for its uses.

Commissioner Taylor inquired if the Capital Improvement fund included only Capgemini and Ventría payments. Mr. Barnes stated yes.

Mr. Sanders stated that budgets have been amended in the past and how the numbers are different in the minutes, the report filed with the County, etc. and that he did not understand how the numbers could be different. He wanted to know why this information is different and not readily available. In the 2007 minutes for the budget amendment, the amounts are funds affected are not listed.

Commissioner Taylor inquired if it would be possible to have the auditors address some of these issues and concerns. Mr. Barnes stated yes.

Mr. Barnes stated that he takes exception to Mr. Sanders' implications that he is trying to cover things up. The City is reviewed by auditors and several other entities to ensure the proper procedures and processes are followed by the City. Cash basis and accrual basis are two different ways the City is audited. The City is trying to be as prudent as possible. There has never been a problem in 21 years and the City has received numerous awards for its financial processes.

Commissioner Taylor stated that before the City cuts police, we need to cut in areas such as the Opera House and the Arts Council.

Mr. Sanders apologized if he offended Mr. Barnes.

David Alexander, 1204 McFarland Road, Junction City, KS, stated that he supports Mr. Sanders in his concerns. Paying a CFO \$70,000 a year would be very good. If the City is raising the budget more than \$10 million, \$70,000 isn't very much.

Scott Johnson, 602 Stoneridge Drive, Junction City, KS, stated that taxes are decreasing due to protests to the Appraiser. If taxes are decreasing, the mil levy will have to increase. For 20 years the housing prices have increased and now they're decreasing. There is such a surplus of housing in our area. This is a lower income area. The Commission did a whole bunch of projects without considering where revenues would come from. Mr. Johnson inquired how high the mil levy will increase by next year with a decrease in taxes in 2009.

Mr. Barnes stated that no property tax funds are impacted by the Commission amending the 2008 budget. The 2009 budget was prepared with valuations given to the City in 2008. Previous projects approved will bring additional tax revenues from those projects.

The Commission is one of several tax-levying entities in this community. The City staff presented a \$6 million decrease for the 2009 budget to the Commission. The City can not spend money without revenues. The City's financial advisors are making projects for not just now, but for future projects and issues for the long term.

Mr. Alexander stated that the mil levy is not being compared properly. In first class cities in Kansas, Junction City has the highest or second highest mil levy according to the League. Tax payers pay all the money brought to the City. Mr. Alexander inquired how much the Opera House will be charged in rent if grants are used to pay the bonds.

Mayor Wunder closed the public hearing.

Commissioner Rhodes moved, seconded by Commissioner Talley to approve the amending of the 2008 Budget. Ayes: Rhodes, Talley, Wunder. Nays: Taylor. Motion carried three to one.

NEW BUSINESS

a. The consideration and approval of **2009 Cereal Malt Beverage** Licenses for the following:

√	1.	Dillon's	618 W. 6 th Street
√	2.	Casey's General Store	624 S. Washington Street
√	3.	Handy's #2	430 Grant Avenue
√	4.	Handy's #4	1124 S. Washington Street
√	5.	Handy's #5	1101 Whitney
√	6.	Wal-Mart	521 E. Chestnut Street
√	7.	Handy's Express	1734 W. Ash Street
√	8.	My Place	1000 Grant Avenue
	9.	Pizza Hut	407 S. Washington Street
√	10.	Wood Mini Mart	431 W. 18 th Street
	11.	Chinese Chef	1317 N. Washington Street
	12.	G&S Convenience Store	813 S. Washington Street
	13.	Good Price Cigarettes	711 W. 6 th Street
	14.	Shop Quick #4	1839 N. Washington Street
	15.	Shop Quick #2	340 W. 6 th Street
	16.	Shop Quick #5	1121 S. Washington Street
	17.	Shop Quick #7	1802 N. Washington Street
	18.	Shop Quick #6	821 E. Chestnut Street
	19.	Junction City Generals	1002 W. 13 th Street

Assistant City Manger, Mike Guinn, informed the Commission that the businesses marked have completed the entire process for their 2009 Cereal Malt Beverage License. The other businesses have not completed the process. If the businesses do not comply by December 31, 2009, their license expires and they will be unable to sell cereal malt beverages in their establishment and distributors can not deliver merchandise. The cost of the license is set by the City for cereal malt beverages. The cost is \$250 per location plus a \$25 inspection fee and a \$25 State cereal malt fee. Commissioner asked the staff to research to find how our fees compare with other cities. Commissioner Rhodes moved, seconded by Commissioner Talley to approve the 2009 Cereal Malt Beverage License for these businesses listed with the contingency that the businesses that have not complied

to date are only approved if they meet all requirements by December 31, 2009. Ayes: Rhodes, Talley, Taylor. Nays: None. Abstention: Wunder. Motion carried three to zero with one abstention.

- b. The consideration and approval of **Ordinance G-1046** amending Section 105.010 of the Code of the City entitled "Membership of Commission" (**First Reading**). City Attorney, Katie Logan, informed the Commission this action will close the gap between the State statute and the City's ordinance. If approved, the ordinance will be effective upon the final reading at the January 6, 2009 Commission meeting. Commissioner Taylor inquired if a convicted felon can be a registered voter. Ms. Logan stated there is a State statute that addresses this issue and she will research and send the information to the Commission. Commissioner Rhodes moved, seconded by Commissioner Taylor to approve Ordinance G-1046 amending Section 105.010 of the Code of the City entitled "Membership of Commission" (First Reading). Ayes: Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.
- c. The consideration and approval of **R-2530** defining and describing the City limits and boundaries of Junction City and repeals Ordinance S-3022. City Attorney, Katie Logan, stated that this is a "clean up" item to confirm the boundaries at year end. This action is now accomplished by resolution. Ms. Logan has corrected the language; the boundaries remain the same. The Commission can address this issue with one action because it is a resolution. Commissioner Talley moved, seconded by Commissioner Rhodes to approve R-2530 defining and describing the City limits and boundaries of Junction City and repeals Ordinance S-3022. Ayes: Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

GENERAL DISCUSSION

(The Commission requests that comments be limited to a maximum of five minutes for each person).

David Alexander, 1204 McFarland Road, Junction City, KS, stated that he came in at 4:25 p.m. today to file for City Commission; however, the City Clerk was in a meeting and did not have the forms available. The City Clerk informed him to return the next day and the forms would be available.

COMMISSIONER COMMENTS

Commissioner Taylor wished everyone a Merry Christmas and Happy New Year.

Commissioner Heldstab stated that Veolia has been delivering trash carts. He inquired if citizens can call Veolia if a cart is delivered to a residence that is vacant. Steve Hoambrecker with Veolia informed the Commission that citizens can call Veolia if this occurs. He stated that the cart company is delivering the carts, not Veolia. Commissioner Heldstab asked citizens to be patient during this transition.

Commissioner Rhodes wished everyone a Merry Christmas and Happy New Year. Commissioner Rhodes stated that he appreciates the City staff's assistance and appreciates the public's comments as well.

Mayor Wunder wished a Happy Holidays to City Staff, the newspaper and radio.

STAFF COMMENTS

City Manager, Rod Barnes, stated that today is the last day to register for the Mayor's Meals. To date, the City has approximately 100 reservations for meal delivery.

Assistant City Manager, Mike Guinn, stated that he has scheduled a meeting with Mr. Willey of Fort Riley on Wednesday to discuss the outdoor project.

Information Systems Director, Jim Germann, stated that the 2007 Cafer report is now available on the City's web site. He is currently working on making reports more easily accessible and easier to find on the City's web site.

EXECUTIVE SESSION

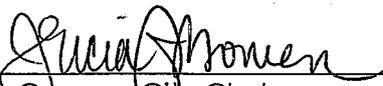
Commissioner Rhodes moved, seconded by Commissioner Talley to adjourn into executive session at 6:07 p.m. to reconvene by 6:17 p.m. to consult with the attorney on matters that would be deemed privileged in an attorney-client relationship. Ayes: Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried. Included in the Executive Session were the Commission, City Manager, Assistant City Manager, City Attorney and City Engineer.

Commissioner Rhodes moved, seconded by Commissioner Taylor to reconvene into regular session at 6:17 p.m. having made no decisions nor taken any action while in executive session. Ayes: Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

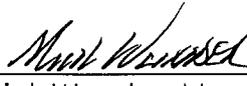
ADJOURNMENT

Commissioner Talley moved, seconded by Commissioner Taylor to adjourn at 6:18 p.m. Ayes: Rhodes, Talley, Taylor, Wunder. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 6th DAY OF JANUARY 2009 AS THE OFFICIAL COPY OF THE JUNCTION CITY SPECIAL COMMISSION MINUTES FOR DECEMBER 22, 2008.



Tricia Gowen, City Clerk



Mick Wunder, Mayor