

CITY COMMISSION MINUTES

August 8, 2006

7:00 P.M.

The regular meeting of the Junction City City Commission was held on Tuesday, August 8, 2006 with Mayor Heldstab presiding.

The following members of the Commission were present: Terry Heldstab, Ken Talley, Mike Rhodes, Jack Taylor and Mick Wunder. Staff present were: City Manager Rod Barnes, Assistant City Manager Mike Guinn, City Clerk Colleen Woodruff

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

Commissioner Wunder moved, seconded by Commissioner Taylor to approve the consent agenda as presented. Ayes: Heldstab, Talley, Taylor, Wunder. Nays: None. Abstain: Rhodes. Motion carried. Motion carried. The consent agenda consisted of the following:

- a. Approval of the July 18TH, 2006 City Commission meeting minutes and July 27, 2006 Special City Commission Minutes, and August 2nd, 2006 Special City Commission Minutes.
- b. The consideration of Ordinance S-2850, authorizing the City of Junction City to issue taxable multi-family residential rental revenue bonds series 2006 for Eagle Landing Partners, L.L.C, in an amount not to exceed \$9,605,000.00. (Second Reading).
- c. The consideration of Ordinance G-1001, providing for a non-exclusive bus franchise to EJW Express Line of Junction City to permit the operation of bus transportation within the City. (Second Reading).
- d. The consideration of a Pay Request, submitted by Embarq, in the amount of \$23,609.00, to relocate Sprint Facilities as a result of the East Ash Street Extension.
- e. The consideration of Pay Request #14, submitted by Burns & McDonnell, in the amount of \$2,950.38 for Professional Engineering Services at SWWTP.
- f. The consideration of Pay Request #2, submitted by J&K Contracting, in the amount of \$174,645.03 for street, sewer and water improvements to Doc Hargreaves Hilltop #3.
- g. The consideration of, submitted by Konza Construction, in the amount of \$91,403.20 for the 2005 Street Maintenance Project.

- h. The consideration of Pay Request #5A, submitted by Ebert Construction, in the amount of \$147,242.87 for street, sewer and water improvements to Deer Trail Addition.
- i. The consideration of, submitted by BG Consultants, in the amount of \$17,460.00 for design work on the Enhancement of the N. Jackson Drainage Ditch.
- j. The consideration of Pay Request #4, submitted by J&K Contracting, in the amount of \$70,381.38 for sewer and water improvements to Faith Tabernacle #1.
- k. The consideration of Pay Request #5, submitted by J&K Contracting, in the amount of 17,503.05 for street, sewer and water improvements to serve Ehlers Hilltop Addition.
- l. The consideration of Pay Request #2, submitted by J&K Contracting, in the amount of \$577,879.78 for street, sewer and water improvements to serve the Spring Valley Addition #2.
- m. The consideration of Pay Request #5, submitted by Nowak Construction, in the amount of \$56,246.80 for street, water and sewer improvements to the Hickory Hills Addition.
- n. The consideration of Pay Request #4, submitted by J&K Contracting, in the amount of \$350,559.42 for street, sewer and water improvements to Doc Hargreaves Hilltop Addition #2.
- o. The consideration of Appropriation Ordinance dated July 28, 2006 in the amount of \$1,945,047.34.
- p. The consideration of a request for payment, submitted by Middlecreek Corporation, in the amount of \$120,771.00 for Phase 1 construction of the water main extension to the Middle School.
- q. The consideration of Pay Request #6, submitted by BG Consultants, in the amount of \$5,918.00 for Enhancement of N. Jackson Drainage Ditch.
- r. The consideration of Pay Request #3, submitted by Middlecreek Corporation, in the amount of \$273,054.70 for infrastructure improvements in the Deer Creek Addition.
- s. The consideration of a request for re-bid for an ambulance, submitted by Chief Ryan, and to re-submit bids for a type 2 bar iatric ambulance with a proposed bid date of September 8, 2006 at 1:30 p.m.

- t. The consideration of a bond and interest payment to the State of Kansas Treasurer, in the amount of \$2,464,809.72 due on September 1, 2006.
- u. The consideration of a \$7,500.00 contribution to the Kansas State University Equi-Center Feasibility Study.
- v. The consideration of Pay Request #2, submitted by Meadows Construction, in the amount of \$210,321.05 for construction at the NW Interceptor Sewer-Section II.
- w. The consideration of Pay Request #1, submitted by J&K Contracting, Inc. in the amount of \$84,438.68 for street, sewer and water improvements to Doc Hargreaves Addition #4.

APOINTMENTS-JUNCTION CITY HISTORICAL PRESERVATION BOARD

Mayor Heldstab stated that the City Commission requires a biography of the members of the Board and requested that the item be tabled until the information is received.

SPECIAL PRESENTATIONS

Connie Hall and Rick Dykstra, Geary Count Convention and Visitors Bureau presented new marketing material.

Commissioner Talley asked how a member of the City Commission could be appointed the CVB Board. Connie Hall stated that the name of the recommended appointee be submitted and the CVB Board would vote on it.

PUBLIC HEARING-2007 PROPOSED BUDGET

Mayor Heldstab opened the Public Hearing to consider the proposed 2007 budget.

City Manager Barnes briefed the Commission on the proposed 2007 Budget. He stated that the budget was \$26,692,293.00 and the mill levy dropped from 55.377 in 2006 to 47.866 for the 2007 budget year.

Commissioner Talley asked if the Commissioner's salary could be raised for the next budget year.

City Manager Barnes stated that the increases could be done.

No action was needed at this time. Formal adoption of the 2007 budget will be at the August 15th meeting.

Mayor Heldstab closed the Public Hearing.

PROPOSED SUBDIVISION DEVELOPMENT POLICY CHANGES.

City Manager Barnes stated that the City's current development policy for infrastructure to be constructed in subdivisions states that the City will pay 10% of the cost of streets, water, sewer, storm sewer and sidewalks. The developer is responsible for 90% of the cost. The City provides temporary financing for up to 3 years and then the total cost is assessed to the lots over 20 years. The street portion of the projects counts towards the City's general obligation debt limit, water and sewer do not. George K Baum, the City's fiscal advisor estimates that we have approximately \$20 million of debt capacity available.

City Manager Barnes stated that it would seem the risk to the City of having vacant lots in subdivisions that infrastructure is financed through special assessments will grow as future subdivision development occurs. Most of the subdivisions have homes being constructed. This reduces the risk of special assessments not getting paid. In order to insure the future viability of keeping debt capacity for economic development and street work on arterials, the staff proposes the City Commission consider revising the development policy. The following is a list of options that could be included in our policy.

1. Require the developer to pay 100% of the improvements for special assessment districts.
2. Require the developer to provide a letter of credit to insure build out of the subdivision and payment of the special assessments. Amount of Construction Contract. Percentage of subdivision built out.
3. When a developer finances the cost of improvements, require that the City will not purchase the improvements until 50% of the subdivision is built out.
4. Only finance through special assessments the water, sewer and storm sewer improvements. Developer would be required to pay for streets and sidewalks.
5. Developer pays 100% of all infrastructure and includes it in the price of the lot.

The second issue is when to implement the changes and what subdivisions would be impacted. The following is a list of subdivisions that would be impacted by a policy change

Falcon Meadows	Deer Creek #3
Falcon Ridge	Indian Ridge Addition #6
Sutter Woods	Indian Ridge Addition #7
Hidden Valley	Russell J. Johnson Addition
American Dream Home Phase II	Manns Ranch
Hargreaves Addition Unit #5	Michael's Run Addition
Middle School Addition	Oakwood Mill Townhomes

Quarry Addition
A. C. Development

Rivendell Addition

The City Commission directed staff to set up a summit and invite developers and financial entities for some input on what they would like to see implemented.

City Manager Barnes set August 22, 2006 at 7:00 p.m. for the summit.

AWARD OF BID-MIDLANDS CONTRACTING-DEER CREEK ADDITION #2

Leon Osborn, Kaw Valley Engineering stated that five bids were received for the street, water and sewer improvements for Deer Trail Addition #2. Midlands Contracting was the low bid at a cost of \$1,990,364.00. The work could be completed in 150 days or the \$300.00 per day penalty would be enforced.

Commissioner Rhodes moved, seconded by Commissioner Wunder to approve the award of bid to Midlands Contracting for street, water and sewer improvements to serve Deer Creek Addition #2 at a cost of \$1,990,364.00. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

FRATERNIZATION POLICY-POLICY RESOLUTION 06-02

Tricia Gowen, Administrative Services Director briefed the City Commission on the proposed fraternization policy for the employee handbook, Commissioner Wunder moved, seconded by Commissioner Talley to approve Policy Resolution 06-02 pertaining to the fraternization policy as presented. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

PETITION-IMPROVEMENTS -FREEDOM PLACE

A petition and cost estimate was presented in the amount of \$1,156,206.76 for street, sewer and water improvements to serve the Village at Freedom Place was presented for consideration.

City Manager Barnes stated that the developer of Freedom Place wanted to have the development a gated community, but he stated that a city street can't be gated. City Manager Barnes also said that when the development received the tax rebate, it was done as a whole project and given the 95% rebate for 10 years. The property is now being sold as individual lots and does not qualify for the 95% for 10 years, but does qualify for the sliding scale.

Commissioner Wunder moved, seconded by Commissioner Talley to table action on this issue until the August 29th City Commission meeting. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

PETITION-IMPROVEMENTS -DOC HARGREAVES HILLTOP ADDITION #5

A petition and cost estimate was presented in the amount of \$2,828,106.04 for street, sewer and water improvements to serve the Doc Hargreaves Hilltop Addition #5 was presented for consideration.

Commissioner Wunder moved, seconded by Commissioner Talley to table action on this issue until the August 29th City Commission meeting. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

PETITION-IMPROVEMENTS –HIDDEN VALLEY ADDITION

A petition and cost estimate was presented in the amount of 1,440,896.87 for street, sewer and water improvements to serve the Hidden Valley Addition was presented for consideration.

City Manager Barnes stated that the developer of Hidden Valley Addition were requesting that the City pay for the storm water drainage construction and they will not ask for the Neighborhood Revitalization tax rebate on the development.. City Manager Barnes stated that the estimated cost would be \$500,000.00.

Commissioner Rhodes requested that staff come back with a revised petition and cost estimate to be considered at a later time.

No action was taken.

PETITION-IMPROVEMENTS –RUSSELL J. JOHNSON ADDITION

A petition and cost estimate was presented in the amount of 357,973.05 for street, sewer and water improvements to serve the Russell J. Johnson Addition was presented for consideration.

Commissioner Wunder moved, seconded by Commissioner Talley to table any action on this issue until the August 29th City Commission meeting. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

AMENDMENT TO THE BY-LAWS OF THE JUNCTION CITY/GEARY COUNTY ANIMAL SHELTER

City Manager Rod Barnes stated that when the agreement with Geary County was developed, it was anticipated that the employees would remain City employees but would report via the Director to the Shelter Board. The Shelter Board would be responsible for hiring and firing the Director. This format is not working. The operation needs day to day oversight that a volunteer board cannot provide. For that reason, the staff is proposing several changes to the agreement.

The board would change to an advisory board that coordinated the administration and regulation of the animal control. The Board would make recommendations to the City Commission for all rules and policies governing the operation of the shelter. All property would remain the City of Junction City and the City Treasurer would be

responsible for providing fiscal support to the Board. The Board would consist of three at large members, one City Commissioner and one County Commissioner.

The amendment of the agreement requires action by the County Commission also

Commissioner Wunder moved, seconded by Commissioner Talley to approve the amendments to the by-laws as requested. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

RESOLUTION R-2254-DEER CREEK ADDITION #2 IMPROVEMENTS

Resolution R-2254 determining the advisability and authorizing street, sanitary sewer, storm sewer and water main improvements to serve Deer Creek Addition #2 was presented for consideration.

Commissioner Rhodes moved, seconded by Commissioner Wunder to approve Resolution R-2254 as presented. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

GENERAL DISCUSSION

Mayor Heldstab opened the meeting for general discussion.

George Marcus, 1538 McFarland Road stated that it's the initiative of the developers of the subdivision that is helping Junction City grow.

Tom, Bishop, Rural Development briefed the City Commission on the status of the Bartell Hotel. He stated they were getting close to closing on the financing of the improvements and estimated a date between August 22 and September 1.

Mayor Heldstab stated that he didn't want the blight team called to the property again. Mr. Bishop apologized and said that it would not happen again.

Commissioner Taylor stated that the building is an embarrassment to the City Commission and the citizens of Junction City.

COMMISSIONER COMMENTS

Mayor Heldstab opened the meeting for Commissioner Comments.

Commissioner Wunder asked the Police Chief if the Commission could get a status report on the Regency Trailer Court at the next meeting. He also stated that he had received complaints that Mr. Tom Bishop does not return phone calls concerning the Bartell Hotel.

Mayor Heldstab congratulated Commissioner Wunder on winning the jersey given by the General Baseball Team. He stated that Commissioner Wunder presented the jersey to Patrick Ryan.

Commissioner Talley congratulated the Junction City Generals on a successful season. He also thanked the blight team for all of their hard work. He asked that the possibility of having a City Commissioner serve on the CVB Board be explored.

Commissioner Taylor congratulated the Junction City Generals for an outstanding baseball season.

Commissioner Rhodes also congratulated the Generals. He stated that they were a great benefit to the City. He stated that he would make a motion to raise the City Commission's salary.

City Attorney Zimmerman stated that the increase needed to be in the form of a Charter Ordinance and he would have it prepared for the next City Commission meeting.

STAFF COMMENTS

Mayor Heldstab opened the meeting for staff comments

There were no staff comments

EXECUTIVE SESSION

Commissioner Wunder moved, seconded by Commissioner Talley to adjourn into executive session at 8:45 p.m. to reconvene at 9:00 p.m. to discuss matters relating to financial affairs or trade secrets of second parties, such as corporations, partnerships, trusts and individual proprietorships. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

Included in the executive session were City Manager Barnes, Assistant City Manager Guinn, City Attorney Zimmerman and Economic Development Director McKim, Economic Development Specialist Rose Palmer.

Commissioner Wunder moved, seconded by Commissioner Rhodes to reconvene into regular session at 9:00 p.m. having made no decisions nor taken any action while in executive session. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

EXECUTIVE SESSION

Commissioner Rhodes moved, seconded by Commissioner Wunder to adjourn into executive session at 9:00 p.m. to reconvene at 9:30 p.m. to discuss matters relating to financial affairs or trade secrets of second parties, such as corporations, partnerships,

trusts and individual proprietorships. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

Included in the executive session were City Manager Barnes, Assistant City Manager Guinn, City Attorney Zimmerman and Economic Development Director McKim, Economic Development Specialist Rose Palmer Tom Bishop and Tony Caputo.

Commissioners Wunder and Taylor returned before the executive was over.

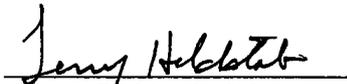
Commissioner Talley moved, seconded by Commissioner Rhodes to reconvene into regular session at 9:30 p.m. having made no decisions nor taken any action while in executive session. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

ADJOURNMENT

Commissioner Rhodes moved, seconded by Commissioner Wunder to adjourn at 9:30 P.M. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

APPROVED AND ACCEPTED THIS 15th DAY OF August, 2006 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR August 8, 2006.


Colleen Woodruff, City Clerk


Terry Heldstab, Mayor