

***MINUTES***  
***SPECIAL CITY COMMISSION MEETING***  
***TUESDAY, AUGUST 14, 2012***  
***7:00 P.M.***

The Special Meeting of the City Commission was held at 7:00 p.m. in the City Commission Room. Mayor Loren J. Pepperd and Commissioners John Matta, Wynn Butler, Richard B. Jankovich, and James E. Sherow were present. Also present were the City Manager Ron R. Fehr, Assistant City Manager Jason Hilgers, Assistant City Manager Lauren Palmer, City Attorney Katharine Jackson, City Clerk Gary S. Fees, 14 staff, and approximately 55 interested citizens.

**PLEDGE OF ALLEGIANCE**

Mayor Pepperd led the Commission in the Pledge of Allegiance.

**PUBLIC COMMENTS**

Mayor Pepperd opened the public comments.

Gary Olds, 3308 Frontier Circle, asked how streets are identified for repair or resurfacing in the city of Manhattan.

Ron Fehr, City Manager, provided information on the ranking system used for streets.

Dale Houdeshell, Director of Public Works, responded to questions and provided additional information on the ranking system and analysis for street repair and resurfacing.

Rob Ott, City Engineer, responded to additional questions from Mr. Olds, on the street repair analysis, and the budget available for maintenance of street repairs.

Gary Olds, 3308 Frontier Circle, asked for clarification regarding the sign ordinance and the application of exterior electronic signs.

Ron Fehr, City Manager, stated that the Commission had directed City staff to take a comprehensive look at the current sign ordinance and there will be a future Work Session on the item.

## PUBLIC COMMENTS (CONTINUED)

Karen Davis, Director of Community Development, provided additional information on the sign ordinance and responded to questions.

Ben Champion, 2349 Bellehaven Road, Bicycle Advisory Committee member, spoke in support of funding bicycle initiatives in the 2013 Budget.

Mayor Pepperd informed Mr. Champion that he can provide his comments during the budget item to be discussed during the general agenda portion of the meeting.

Hearing no other comments, Mayor Pepperd closed the public comments.

## COMMISSIONER COMMENTS

Commissioner Jankovich reported that attendance and participation was good during the Manhattan Regional Airport Public Open House for the Airport Terminal Expansion and Remodel preliminary design presentations held on Monday, August 13, 2012, in the City Commission Room, City Hall, 1101 Poyntz Avenue.

## CONSENT AGENDA

(\* denotes those items discussed)

### MINUTES

The Commission approved the minutes of the Regular City Commission Meeting held Tuesday, July 17, 2012.

### \* CLAIMS REGISTER NO. 2707

Bernie Hayen, Director of Finance, responded to questions from the Commission and provided clarification on the 2012 Claims Register Analysis.

The Commission approved Claims Register No. 2707 authorizing and approving the payment of claims from July 11, 2012, to August 7, 2012, in the amount of \$7,600,546.44.

### LICENSE

The Commission approved a Fireworks Display License on August 31, 2012, for Purple Power Play on Poyntz, 100 Manhattan Town Center.

## CONSENT AGENDA (CONTINUED)

\* **ORDINANCE NO. 6958 – AMEND CHAPTER 4 – ALCOHOLIC LIQUOR AND CEREAL MALT BEVERAGES**

Katie Jackson, City Attorney, responded to questions from the Commission and provided clarification on regulations relating to cereal malt beverages in the proposed ordinance.

The Commission approved Ordinance No. 6958 amending Articles I, II, III, and IV of Chapter 4, and Sections 19-27, 19-29, 19-30, 23-90, and 39-159 of the Code of Ordinances of the City of Manhattan, regulating the sale, service, and consumption of alcoholic liquor and cereal malt beverages.

**ORDINANCE NO. 6959 – ONE-WAY EASTBOUND – 900 BLOCK ALLEY (BETWEEN POYNTZ AVENUE AND HUMBOLDT STREET)**

The Commission approved Ordinance No. 6959 authorizing the setting of the direction of traffic flow for the 900 block alley of Poyntz Avenue/Humboldt Street to create a one-way alley eastbound.

**FINAL DESIGN – MIXED-USE BUILDING – LOT 3, DOWNTOWN ENTERTAINMENT DISTRICT**

The Commission approved the final design of the Mixed-Use Building on Lot 3, Downtown Entertainment District, and the adjacent public parking lot on Lot 5, Downtown Entertainment District.

**REQUEST FOR QUALIFICATIONS – CASEMENT ROAD BRIDGE (SM1203)**

The Commission authorized City Administration to solicit statement of qualifications for the design of Casement Road Bridge Improvements at Marlatt Ditch and appointed Commissioner Jankovich to serve on the Selection Committee.

**AWARD CONTRACT – FORT RILEY BOULEVARD SANITARY SEWER MAIN REPLACEMENT PROJECT (SS1101)**

The Commission accepted the Engineer's Opinion of Probable Cost in the amount of \$218,220.50; awarded a construction contract in the amount of \$71,362.20 to Middlecreek Corporation, of Peabody, Kansas; and authorized the Mayor and City Clerk to execute the contract with Middlecreek Corporation for the Fort Riley Boulevard Sanitary Sewer Main Replacement Project (SS1101).

## **CONSENT AGENDA (CONTINUED)**

### **AWARD CONTRACT – WESTERN INTERCEPTOR RELIEF SEWER (SS0913, WA1212)**

The Commission accepted the Engineer's Opinion of Probable Cost in the amount of \$5,490,486.20 and awarded and authorized the execution of a construction contract in the amount of \$4,595,502.00 to the lowest responsive bidder, S.J. Louis Construction, Inc., of Rockville, Minnesota, for the Western Interceptor Relief Sewer Project (SS0913, WA1212).

### **CONTRACT AMENDMENT NO. 6 - WESTERN INTERCEPTOR RELIEF SEWER (SS0913, WA1212)**

The Commission approved and authorized the execution of Contract Amendment No. 6 in the amount of \$45,170.44 with Olsson Associates, of Manhattan, Kansas, for construction administration services for the Western Interceptor Relief Sewer Project (SS0913, WA1212).

### **AWARD CONTRACT – SCENIC DRIVE AT STONE POINTE STORM SEWER IMPROVEMENT (SM1204)**

The Commission accepted the Engineer's Opinion of Probable Cost in the amount of \$90,960.00; awarded a construction contract in the amount of \$67,111.00 to Manhattan Trenching, Inc., of Manhattan, Kansas; and authorized the Mayor and City Clerk to execute the contract with Manhattan Trenching, Inc., for the Scenic Drive at Stone Pointe Storm Sewer Improvement Project (SM1204).

### **AWARD CONTRACT – RADIO NARROW BANDING (SP1207)**

The Commission awarded Phase I in the amount of \$319,283.30 and Alternates in the amount of \$2,831.00 and Phase II in the amount of \$19,446.00 and Alternates in the amount of \$2,466.00 of Radio Narrow Banding (SP1207) to Ka-Comm, Inc., of Manhattan, Kansas, and authorized Blue Valley Public Safety, of Grain Valley, Missouri, to narrow band five (5) storm sirens in the amount of \$14,169.49.

### **LEASE PURCHASE AGREEMENT – RADIO NARROW BANDING (SP1207)**

The Commission authorized the Mayor and City Clerk to execute the lease purchase agreement for Radio Narrow Banding (SP1207).

### **\* BOARD APPOINTMENTS**

Commissioner Pepperd encouraged interested citizens to apply for open positions on various City of Manhattan board and committees.

The Commission approved appointments by Mayor Pepperd to various boards and committees of the City.

## CONSENT AGENDA (CONTINUED)

### BOARD APPOINTMENTS (CONTINUED)

#### Band Board

Re-appointment of Tod Kerstetter, 3349 Effingham Street, to a four-year term. Mr. Kerstetter's term will begin September 1, 2012, and will expire August 31, 2016.

#### Partner City Advisory Committee

Re-appointment of Liz Beikmann, 1021 East 26<sup>th</sup> Avenue, to a three-year term. Ms. Beikmann's term will begin September 1, 2012, and will expire August 31, 2015.

#### Social Services Advisory Board

Re-appointment of Sarah Blair, 2204 Elco Circle, to a three-year term. Ms. Blair's term begins immediately, and will expire June 30, 2015.

Re-appointment of Sara Fisher, 811 Osage Street, to a three-year term. Ms. Fisher's term begins immediately, and will expire June 30, 2015.

#### Special Alcohol Funds Advisory Committee

Re-appointment of Tanya Chengappa, 4104 Wellington Drive, to a three-year term. Ms. Chengappa's term begins immediately, and will expire June 30, 2015.

After discussion, Commissioner Sherow moved to approve the consent agenda, as read. Commissioner Jankovich seconded the motion. On a roll call vote, motion carried 5-0, with the exception of Item L-BOARD APPOINTMENTS for the Social Services Advisory Board-which carried 4-1, with Commissioner Butler voting against the item.

## GENERAL AGENDA

### PUBLIC HEARING – 2013 SALARY ORDINANCE; RESOLUTION NO. 081412-A – MEMORANDUM OF AGREEMENT – LOCAL 2275 INTERNATIONAL ASSOCIATION OF FIREFIGHTERS; FIRST READING – INCREASE – STORMWATER FEES; AND FIRST READING - 2013 CITY BUDGET - AND - AMEND 2012 KANSAS POLICE AND FIRE FUND BUDGET

Ron Fehr, City Manager, introduced the item and provided a brief overview.

## GENERAL AGENDA (CONTINUED)

### PUBLIC HEARING – 2013 SALARY ORDINANCE; RESOLUTION NO. 081412-A – MEMORANDUM OF AGREEMENT – LOCAL 2275 INTERNATIONAL ASSOCIATION OF FIREFIGHTERS; FIRST READING – INCREASE – STORMWATER FEES; AND FIRST READING - 2013 CITY BUDGET - AND - AMEND 2012 KANSAS POLICE AND FIRE FUND BUDGET (CONTINUED)

Bernie Hayen, Director of Finance, highlighted components of the 2013 City Budget, including: an overview of the proposed 2013 salary adjustments; an overview of the proposed stormwater rate increases; reductions made during the fourth City Commission Work Session; an overview of the Bond and Interest Fund, Enterprise Funds, General Fund, and Special Revenue Funds; an overview of budget reductions by the City Manager and the City Commission; an overview of City services and outside services; the proposed City mill levy; annexations added to the City of Manhattan during 2004 to 2011; a graph on Capital Improvement Spending in the General Fund from 2008 to 2013; an overview of the bond issue for the new fire stations, personnel at the fire stations, and bond rating considerations; an amendment to increase the 2012 Kansas Police & Fire Budget; and proposed actions for the City Commission. He informed the Commission that he could not support this budget and responded to questions. He stated that second reading for these items would be held at the Tuesday, August 21, 2012, City Commission meeting.

Mayor Pepperd opened the public hearing.

Ben Champion, 2349 Bellehaven Road, Bicycle Advisory Committee Member, informed the Commission that the Bicycle Advisory Committee is working with City staff to find low cost methods to improve the bike infrastructure. He asked the Commission to consider an appropriate funding level to improve the communities bicycle infrastructure.

Geri Simon, Co-Chair, Save Our Social Services, 1728 Little Kitten Avenue, informed the Commission that they do not agree with the five percent cuts of social service agencies. She stated that additional budget cuts would be irresponsible and requested that the Commission not support any further budget cuts.

Gary Olds, 3308 Frontier Circle, asked about the proposed stormwater fee increases and why there is a recommendation of a four percent increase. He also asked about the assessment of stormwater fees for vacant lots.

Bernie Hayen, Director of Finance, and Rob Ott, City Engineer, provided information on historic stormwater rate increases for residential and commercial customers.

Ron Fehr, City Manager, provided additional information on stormwater rate increases and the need to support stormwater projects from the Stormwater Fund. He provided additional information on the multi-year forecasts used to evaluate revenues and expenses.

## GENERAL AGENDA (CONTINUED)

### PUBLIC HEARING – 2013 SALARY ORDINANCE; RESOLUTION NO. 081412-A – MEMORANDUM OF AGREEMENT – LOCAL 2275 INTERNATIONAL ASSOCIATION OF FIREFIGHTERS; FIRST READING – INCREASE – STORMWATER FEES; AND FIRST READING - 2013 CITY BUDGET - AND - AMEND 2012 KANSAS POLICE AND FIRE FUND BUDGET (CONTINUED)

Rob Ott, City Engineer, highlighted previous stormwater projects funded and the backlog of stormwater projects.

Bernie Hayen, Director of Finance, responded to questions regarding the forecast of funds and the information available on the City of Manhattan's website. He stated there is a Stormwater Fund webpage that can be reviewed to see what projects are planned.

Ron Fehr, City Manager, provided additional clarification on the Stormwater Fund and fees that will be collected and designated for this Fund.

Bernie Hayen, Director of Finance, responded to additional questions regarding the assessment of vacant lots for stormwater fees, the number of active water meters in Manhattan, and associated water connection user fees.

Gary Olds, 3308 Frontier Circle, recommended the Commission consider adjusting the turn on and off water service fees to raise additional funds, given the high turnover of students.

Catherine Hedge, 328 Twykingham Place, stated that she was not in favor of the proposed budget cuts and felt that Manhattan has been a positive community for many people. She voiced support for keeping the additional taxes necessary to maintain a high quality of life in the community that families are proud to raise a family in.

John Ball, 3107 Harahey Ridge, stated that he appreciates the Commission's desire to watch its money and look for reductions in the 2013 Budget. He voiced concern with the increasing debt and said there will be some hard decisions and priorities that will need to be made in the future. He stated that it is always easier to borrow money, but tough to pay it back.

Ben Champion, 2349 Bellehaven Road, Bicycle Advisory Committee member, provided clarification that the Bicycle Advisory Committee is requesting that the City spend money on infrastructure proportionately to improve and invest in bike infrastructure.

Hearing no other comments, Mayor Pepperd closed the public hearing.

## GENERAL AGENDA (CONTINUED)

### FIRST READING – 2013 SALARY ORDINANCE; RESOLUTION NO. 081412-A – MEMORANDUM OF AGREEMENT – LOCAL 2275 INTERNATIONAL ASSOCIATION OF FIREFIGHTERS; FIRST READING – INCREASE – STORMWATER FEES; AND FIRST READING - 2013 CITY BUDGET - AND - AMEND 2012 KANSAS POLICE AND FIRE FUND BUDGET (CONTINUED)

After discussion, Commissioner Sherow moved to approve Resolution No. 081412-A, adopting changes within the Memorandum of Agreement with Local 2275 of the International Association of Firefighters; approve first reading of the 2013 Salary Ordinance; approve changing the City's stormwater fees and approve first reading of a Charter Ordinance increasing stormwater rates effective January 1, 2013; and approve first reading of the 2013 City Budget Ordinance and first reading of an ordinance amending the 2012 Kansas Police and Fire budget. Commissioner Jankovich seconded the motion.

Commissioner Butler suggested additional reductions in the 2013 Budget to reduce the mill levy further, including the elimination of funding for University for Mankind (UFM), reduction in funding for Flint Hills aTa by 10 percent, and reduction in funding for identified social service agencies. He also suggested that the Wolf House, Arts in the Park, and the City Band could be funded from the Convention and Visitors Bureau budget. In addition, he listed several items for consideration, including reductions in travel budgets, reduction in the Animal Shelter budget, reduction in dues and memberships, shutting off the gas fireplace at the Blue Earth Plaza except for paid special events, and reduction or elimination of the cost for consultants to update the Urban Area Comprehensive Plan if the City is involved in a Metropolitan Planning Organization (MPO).

Commissioner Matta agreed with the suggested budget reductions offered by Commissioner Butler. He stated that the small individual numbers need to be evaluated and then add them all up in order to get to your desired budget reductions.

After additional discussion and comments from the Commission, on a roll call vote, motion carried 3-2, with Commissioners Matta and Butler voting against the motion.

At 8:35 p.m., the City Commission took a brief recess.

## GENERAL AGENDA (CONTINUED)

### DISCUSSION – SALES TAX RENEWAL

Lauren Palmer, Assistant City Manager, presented an overview on the Roads and Jobs Sales Tax renewal; economic development initiatives; options for the City Commission to consider; uses of Roads and Jobs Sales Tax supported proceeds and supported projects to-date; economic development funds leveraged with private or other investment; jobs created to-date; recruitment versus retention outcomes to-date; the Bond and Interest Fund mill levy forecast; and key dates for the renewal of the sales tax. She then responded to questions from the Commission about the status of Collegiate Marketing Services and provided clarification on the projected job creation numbers for Manhattan Technical College.

Ron Fehr, City Manager, discussed the education program and focus of the 2002 sales tax initiative for job creation. He then responded to questions from the Commission and provided clarification on the use of the funds, educational components for consideration, and provided clarification of the policy resolution.

After additional discussion and comments from the Commission, Lauren Palmer, Assistant City Manager, provided additional information and clarification of the options for consideration and discussions regarding the definition of infrastructure. She then responded to questions from the Commission.

Commissioner Sherow provided clarification regarding his preference and voiced support for Option Two. He stated that the original resolution and ballot question allowed the flexibility for infrastructure projects, but the uses were more narrowly defined with the educational campaign that was used.

Commissioner Matta supported a broader definition that would include infrastructure projects and property tax relief. He stated that he favored Option Three that would split the proceeds into thirds and preferred using infrastructure and not community improvement projects. He voiced concern in assuming this is for economic development constituents, because others will be willing to defeat renewal of the sales tax and may feel disenfranchised.

Commissioner Butler provided comments on his position and stated that he favored a plan that would split the proceeds into three distinct piles dedicated to one-third for traditional economic development, one-third for infrastructure, and one-third for property tax relief and debt reduction. He reiterated that with thirds it makes the sales tax more clearly defined for voters. He stated that there appears to be a consensus on the 35 percent property tax relief, but the final wording on the 65 percent for traditional company incentives and infrastructure are key in achieving consensus.

## GENERAL AGENDA (CONTINUED)

### DISCUSSION – SALES TAX RENEWAL (CONTINUED)

Mayor Pepperd voiced support for Option Two. He stated that with the Attorney General's Opinion the City needs to work with the ballot language and stressed the importance of economic development. He said that Option Two will provide more proceeds for property tax relief than Option Three.

Commissioner Jankovich voiced support for 65 percent of the sales tax proceeds used for economic development/infrastructure and 35 percent for property tax relief. He stated that the successful renewal of this initiative is what everyone wants to achieve and that we can work within that framework and move forward to accomplish this with the two pieces. He voiced support for the terminology of property tax relief as opposed to debt reduction and stated that the best option would have been a city-wide sales tax, but that opportunity is gone.

After additional discussion and comments from the Commission on the possible options, preferences, and definitions to be considered in the policy resolution, Ron Fehr, City Manager, stated that City staff can prepare a draft policy resolution with several options for the Commission's consideration based on the feedback received and have staff bring the item back to the Commission in one week for either further discussion or as an action item.

Lauren Palmer, Assistant City Manager, presented the Bond and Interest Fund mill levy forecast for 2012 through 2017 and responded to questions from the Commission.

Commissioner Butler reiterated that the wording is extremely important and that we need to convey a real benefit to the voter for this initiative to be successful.

John Ball, 3107 Harahey Ridge, informed the Commission that it will be difficult to sell a tax increase for only economic development, while property taxes are also increasing.

Commissioners Sherow and Jankovich provided clarification that this is not a new sales tax increase, but a renewal of an existing sales tax.

Lyle Butler, President and Chief Executive Officer, Manhattan Area Chamber of Commerce, informed the Commission that he has had conversations with several of the Commissioners. He extended his appreciation to the City Commission and responded to questions regarding the competitiveness in recruiting prospective companies and in meeting the criteria established for companies seeking economic development funds. He encouraged that a consensus be reached from the City, Riley County, Manhattan Area Chamber of Commerce, and community for this sales tax initiative to be successful.

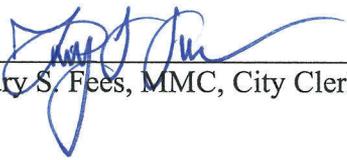
## GENERAL AGENDA (CONTINUED)

### DISCUSSION – SALES TAX RENEWAL (CONTINUED)

Frank Beer, Owner, Manhattan Radio Shack, Manhattan Area Chamber of Commerce Board of Directors member, complimented the Commission on working together and appreciated the opportunity to work with the City, Riley County, Manhattan Area Chamber of Commerce, and community. He stated that economic development is an investment and we expect a return to be made on that investment.

### ADJOURNMENT

At 9:52 p.m., the City Commission adjourned.



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Gary S. Fees, MMC, City Clerk