



***MINUTES***  
***CITY COMMISSION MEETING***  
***TUESDAY, APRIL 16, 2013***  
***7:00 P.M.***

The Regular 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 Commissioners-elect Karen McCulloh and Usha Reddi, City Manager Ron R. Fehr, Assistant City Manager Jason Hilgers, Assistant City Manager Lauren Palmer, City Attorney Bill Raymond, City Clerk Gary S. Fees, 8 staff, and approximately 75 interested citizens.

**PLEDGE OF ALLEGIANCE**

Mayor Pepperd led the Commission in the Pledge of Allegiance.

**PROCLAMATION**

Mayor Pepperd proclaimed April 26, 2013, *Arbor Day*. J. David Mattox, Forestry Supervisor, and Dr. Cathie Lavis, Associate Professor, Department of Horticulture, Forestry, and Recreation Resources, were present to receive the proclamation.

**COMMISSIONER COMMENTS**

Commissioner Jankovich informed the community that on Sunday evening, April 21, 2013, there will be the Flint Hills Summer Fun Camp fundraiser at the Wareham with Bill Snyder. He congratulated the K-State Cycling Club for their recent event with over 300 cyclists in Manhattan, with people here from southern Texas, Alaska, and Minnesota. He expressed his appreciation to the Schools of Hope program and to the second grade class teacher, volunteers, and participants. Finally, he provided a special thank you to Commissioner Jim Sherow and Mayor Loren Pepperd for their service and dedication to the City of Manhattan.

## COMMISSIONER COMMENTS (CONTINUED)

Commissioner Matta informed the community that the Kansas State Young Americans for Liberty are hosting the Young Americans for Liberty State Convention in Manhattan on April 20, 2013, at the Holiday Inn at the Campus. He stated that the keynote speaker is author Dr. Thomas Woods and if you are interested in attending, go to [www.yaliberty.org](http://www.yaliberty.org) for additional information.

Commissioner Sherow expressed his appreciation for being able to serve the community during the last six years as Mayor and City Commissioner. He commended and thanked City staff for providing a high-level of professionalism and for the work that they do. He also thanked his wife, Bonnie, for her ongoing support and advice during his tenure on the Commission.

Mayor Pepperd voiced his support for those affected in the Boston bombings and asked the community to pray for the victims and for answers during this terrible catastrophe. He encouraged community leaders to attend an invitation from the Deputy Commanding General, 1<sup>st</sup> Infantry Division, to a Community Listening Session, to be held Thursday, April 18, 2013, at the 1<sup>st</sup> Infantry Division Headquarters at Fort Riley. He then provided several highlights and accomplishments during his term as mayor. Finally, he thanked his fellow Commissioners, City staff, and citizens for their support, professionalism, and dedication during his tenure on the Commission and voiced his farewell as Mayor of Manhattan.

## MINUTES

Commissioner Sherow moved to approve the minutes of the City Commission Meeting held on Tuesday, April 2, 2013. Commissioner Jankovich seconded the motion. On a roll call vote, motion carried 5-0.

## RE-ORGANIZATION

Gary Fees, City Clerk, administered the Oath of Office to Commissioners-elect Karen McCulloh, Usha Reddi, and Richard B. Jankovich.

Gary Fees, City Clerk, called for the election of the new Mayor. Commissioner Wynn Butler moved that Commissioner John E. Matta be appointed to serve as Mayor until the second legislative meeting in April 2014. Commissioner Karen McCulloh seconded the motion. On vote, motion carried 5-0.

## RE-ORGANIZATION (CONTINUED)

Newly elected Mayor John E. Matta called for the election of the new Mayor Pro-Tem. Commissioner Karen McCulloh moved that Commissioner Wynn Butler be appointed to serve as Mayor Pro-Tem until the second legislative meeting in April 2014. Commissioner Usha Reddi seconded the motion. On vote, motion carried 5-0.

Newly elected Mayor John E. Matta and City Manager Ron Fehr recognized outgoing Mayor Loren J. Pepperd and Commissioner James E. Sherow and presented them with plaques and framed photographs commemorating their terms in office. They also presented engraved candy dishes to former Mayor Pepperd's significant other, Paula, and to Commissioner Sherow's spouse, Bonnie, in recognition of their support and dedication.

Mayor John E. Matta thanked outgoing Mayor Loren J. Pepperd and Commissioner James E. Sherow for their service and welcomed incoming Commissioners Richard Jankovich, Karen McCulloh, and Usha Reddi. He highlighted significant achievements and initiatives for the Manhattan community. He then outlined important projects, goals, opportunities, and perspectives for the upcoming year. Finally, he expressed his appreciation to his wife, Karin, and daughters, Tori and Jodi, for their patience between his work and commission meeting schedules. (*See Attachment No. 1*)

Commissioner McCulloh stated that she was pleased to hear former Mayor Pepperd mention the recent tragedy in Boston and voiced her appreciation to the emergency responders on the scene. She provided background information on the 1993 flood in Manhattan and the truckload of supplies and bananas received from Boston, Massachusetts. She encouraged citizens to consider reciprocating back to the citizens of Boston for their kindness to our community over 20 years ago and, to send their ideas and suggestions to the Commissioners.

Commissioner Reddi stated that she was pleased to be a commissioner and encouraged active citizen participation. She expressed her appreciation to those that helped her during the campaign and acknowledged her two children who were present at the meeting.

## CONSENT AGENDA

(\* denotes those items discussed)

### CLAIMS REGISTER NO. 2730

The Commission approved Claims Register No. 2730 authorizing and approving the payment of claims from March 27, 2013, to April 9, 2013, in the amount of \$3,962,280.05.

## CONSENT AGENDA (CONTINUED)

### PROPOSAL – WORKERS’ COMPENSATION THIRD PARTY ADMINISTRATION SERVICES

The Commission approved the proposal in the amount of \$4,495.00 from Charlesworth and Associates, L.C., of Overland Park, Kansas, to prepare a Request for Proposals to solicit Workers’ Compensation Third Party Administration services and reinsurance coverage for the City’s self-funded Workers’ Compensation program.

### PROPOSAL – GROUP HEALTH PLAN THIRD PART ADMINISTRATION SERVICES

The Commission approved the proposal in the amount of \$11,320.00 from Charlesworth and Associates, L.C., of Overland Park, Kansas, to prepare a Request for Proposals to solicit Group Health Plan Third Party Administration services for the City’s Group Health Plan program.

### ADDENDUM – HANGAR LEASE – HEARTLAND AVIATION, INC.

The Commission authorized the Mayor and City Clerk to execute an Addendum to Airport Agreement with Heartland Aviation, Inc., extending use of the Stone Hangar at the Manhattan Regional Airport for two additional calendar years.

Mayor Matta announced that he would read the consent agenda tonight and that there would not be commissioners selected to serve on the Selection Committees for consent items B, PROPOSAL – WORKERS’ COMPENSATION THIRD PARTY ADMINISTRATION SERVICES, and C, PROPOSAL – GROUP HEALTH PLAN THIRD PART ADMINISTRATION SERVICES, at this time. He stated that he would not be reading the consent agenda at future meetings and informed citizens that the consent agenda is available on the City’s website prior to the City Commission meetings and hard copies are accessible at the meetings.

Commissioner McCulloh moved to approve the consent agenda. Commissioner Jankovich seconded the motion. On a roll call vote, motion carried 5-0.

## GENERAL AGENDA

### AGREEMENT - DOWNTOWN FARMER’S MARKET OF MANHATTAN, INC.

Jason Hilgers, Assistant City Manager, presented an overview of the item and Agreement with the Downtown Farmer’s Market of Manhattan. He then responded to questions from the Commission.

**GENERAL AGENDA (CONTINUED)**

**AGREEMENT - DOWNTOWN FARMER'S MARKET OF MANHATTAN, INC.  
(CONTINUED)**

George LeRoux, representing Downtown Farmer's Market, informed the Commission that Farmer's Market will continue at CiCo Park on Wednesday's from 4:00 p.m. to 7:00 p.m.

After discussion, Commissioner Butler moved to authorize the Mayor and City Clerk to execute an agreement with the Downtown Farmer's Market, Inc., for the use of the City's public parking lot at the southeast quadrant of North Fourth Street and Leavenworth Street, in Lot 3, Manhattan Town Center 5 for the 2013 season. Commissioner Jankovich seconded the motion. On a roll call vote, motion carried 5-0.

**ADJOURNMENT**

At 7:45 p.m., the Commission adjourned.

  
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Gary S. Fees, MMC, City Clerk

First, I want to thank outgoing commissioners Loren Peppard and Jim Sherow for their service. They are both former Mayors and have given an enormous amount of their time and effort to serving the community. On behalf of the community and myself personally – thank you. I also want to welcome our new commissioners. Rich Jankovich who is returning, Karen McCullough who is also returning after generously serving on the county commission, and our lone non incumbent, non-former commissioner Usha Reddi. Last election we had three brand new City Commissioners. This year you are it, Usha. Hopefully when you ask why, none of us will say “because that is the way we have always done it”. New people bring new perspectives and as we move forward I believe that is critical.

We are a very fortunate community. Most communities around the country were hard hit by the recession and many if not most still have not yet recovered. Being someone who travels a bit around the country, I have seen this first hand. I am originally from California which has been hit especially hard by the recession. California’s high tax rates, strict regulatory policies, and reliance on debt made that state particularly vulnerable. Stockton California last year became the largest city in history to declare bankruptcy. However, here in Manhattan we have not missed a beat. We have had new construction, new businesses join the community, business expansions, and of course recently we had the announcements of the Kansas Department of Agriculture moving to Manhattan and the full funding of NBAF being included in the President’s proposed budget.

Manhattan has had two key economic anchors in Kansas State University and Fort Riley. Both provide large amounts of employment and investment in the community. Kansas State University has had visionary leadership that is pushing the institution into the elite group of research universities. This was key to the Kansas Department of Agriculture move to Manhattan. Fort Riley’s historical and current proficiency and strategic importance lead to the fort faring well in the last force realignment. However, it was the coordination of past local, state, and national officials and their staffs that sealed the deal for that favorable outcome. We owe that group a debt of gratitude for their efforts.

The city of course has taken matters into its’ own hands with regard to its’ economic fortunes. This includes the North and South End Developments. I often have been a critic of the handling and indeed the overall wisdom of the endeavor. I still question the debt it brought and the loss of incremental taxes that could have helped fund the infrastructure growth required due to economic expansion. This includes such things as the new fire stations. However, my point is not to play “what if” games in regard to the project. It was a bold initiative and bold initiatives will always have critics. The financial indicators show the project meeting its’ obligations and I believe the developments have made Manhattan a regional shopping draw. It’s our job now to manage this project to a successful conclusion.

Before looking forward I want to touch on what I believe to be Manhattan’s best asset – economic or otherwise. That asset is our local businesses and entrepreneurs. These are the people that are the back bone of a community. They are the true heroes. They create new wealth and jobs. The wealth and jobs they create are truly new and not a rearrangement of funds from others. Also these are the people who sponsor youth teams and community programs. They and their employees serve on boards and local associations. Their community interest and self-interest are aligned for what is best for the community.

Two of our more notable entrepreneurs of late are Ward Morgan of Civics plus who recently announced the construction of a new building in downtown that will house 300 new employees and Dave Dreiling of GTM who is deploying new technology and anticipates over 600 new employees. While these are the heroes of late, there are many more such as the Levin family of Varney's Book Store that has been providing investment in Manhattan for years and has provided assistance to a wide range of groups around town and brought the New Year's ball drop to the Little Apple.

I cannot mention everyone or every business by name but the list includes: bankers, landlords, builders, restaurant owners, insurance providers, retailers, real estate brokers, car dealers, doctors, dentists, engineers, architects, and yes even the accountants and lawyers. I also include the Chamber of Commerce in the group. If I left your profession out, you have my apologies.

As we look forward our challenges center around managing the growth both from a community and financial perspective. From a community perspective the issue is how we keep Manhattan, Manhattan. That is to say as more businesses and people move into town how do we maintain that neighborhood feeling. The issues range from traffic to housing policy.

The new wave in housing is seen by many as more apartment / condo style living and then linking these populations' pods to businesses, schools, and shopping via walking and bike paths as well as near 100% taxpayer funded transportation. At our last housing summit this was the kind of development that was touted. However, when one such development was proposed the neighborhood involved revolted against the idea and the commission turned down the zoning request 5-0. I thought it was a great development strategically close to Kansas State but I voted "no" due to the concerns of the neighborhood.

The development of a revised comprehensive plan must be a major focus. It must take into consideration growth projections, traffic patterns, land availability, neighborhood acceptance, and cost. This population pod type of development can be expensive for established neighborhoods. There are economies of scale that can be achieved for totally master planned communities that are designed up front for such developments. However, even these depend on the acceptance to abandon cars. This acceptance is rarely achieved unless extreme traffic congestion is pursued as a matter of policy.

The financial challenges center around two aspects. How do we keep Manhattan affordable in general and from a tax burden perspective? A key to affordability is housing costs which continue to eat up a greater percentage of family income. Manhattan already has arguably the highest housing costs in Kansas. While land availability is an issue, national and international studies have concluded that the biggest factor in the cost of housing comes from the level of building codes and zoning regulations. The greater the level of regulation a community has, the greater the cost. This commission has control of those factors.

We soon will be reviewing moving to the newest level of building codes, the 2012 codes. It is our practice to move to the highest level of regulation possible. We have always done it that way. Our staff supports this. Local builders know the staff supports this approach. I have been told commissioners come and go but staff for the most part stays the same. It makes for a better business strategy to side

with staff and support their wishes. Also larger builders, like large corporations, often prefer more regulation because they have the infrastructure and contacts to more easily manage it than do their smaller competitors. The increased cost is simply passed onto the consumer. This is an issue that requires looking past the rhetoric of what will be presented.

The tax burden question will be a contest between growth related costs and incremental tax receipts. There will also be pressure for additional community amenities. It is imperative to find a way to bend the cost curve in the community's favor. One such way is for the city to consolidate in part or in total with Riley County. Former Mayor Kent Glasscock called for unification back in 1989. His reward was grief. Believe me I have a list of reasons why it will not work or is a bad idea. Everything from who pays the city debt to what about the part of the city in Pottawatomie County. However, given the anticipated growth, now is the time to take a holistic approach to the local government process.

Bold initiatives have critics but what I have learned in business is that critics provide the list of what obstacles must be overcome in order to achieve the objective. The objective here is a more streamlined, efficient and responsive local government as well as a local government that can manage development from a more holistic approach.

We have a city/county meeting this Thursday. The only item on the agenda is: Areas for Cooperation Collaboration Discussion (Riley County). I call on both parties to look at all opportunities seriously and with purpose.

In closing I'd like to give one final thank you and that is to my wife Karin and daughters Tori and Jodi. Between my work and commission schedule they usually come up short. Whether it is not being home for dinner or heading to my home office right after dinner to having to meet up with them in the middle of vacations to missing events because of scheduling business trips around commission proceedings, they have been great. Well we are on the home stretch now - two years down and two to go.