

City Commission of Arkansas City Meeting Minutes

The Arkansas City Board of City Commissioners met in regular session at 5:30 p.m. Tuesday, July 21, 2015, in the Commission Room at City Hall. Those present at roll call were Commissioners Brandon Every, Duane Oestmann and Jay Warren, and Mayor Chad Giles. Commissioner Dan Jurkovich was absent.

Also present at roll call were City Manager Nick Hernandez, City Attorney Tamara Niles, Public Information Officer Andrew Lawson, City Planner Josh White, Finance Director Kathy Cornwell, Parks and Facilities Director Tony Tapia, Police Chief Dan Ward and Fire Chief Bobby Wolfe.

Citizens in attendance included Dr. Ron Ballard, Heather Ferguson, James Fry, Kanyon Gingher, Mell Kuhn, Sandy Randel, Jennifer Ratcliff, Candace Stephens, Jim Sybrant and Traveler reporter Jeni Payne.

Pastor Mark Fry offered the opening prayer.

Mayor Giles led the pledge of allegiance.

Agenda Additions/Deletions and Approval

Commissioner Oestmann moved to amend the agenda with an additional action item under New Business and approve it. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion.

Mayor Giles declared the agenda amended and approved.

Recognition of Visitors

Cowley First director Kerri Falletti and her administrative assistant, Deb Firebaugh, briefed the Commission on the Cowley County Economic Development Partnership's activities in the last six months and budget request.

Cowley First's \$45,000 request for the 2016 budget year is the same as last year. A new part-time employee, Kay Harper, has joined the agency. Falletti talked about the new Cowley Works workforce recruitment website, local industrial expansions, the new Steamy Joe coffee shop, contact from housing developers and Leadership Cowley County. Firebaugh discussed Reality U and workforce training classes through Wichita State University.

City Manager Hernandez recognized Heather Ferguson and told the Commission that the Friends of the Renaissance Festival had requested to use Paris Park for this year's Cowley County Renaissance Festival, which will be on August 15-16. Some setup and cleanup support from the Parks and Facilities Division would be needed for this event. The festival was held in Paris Park three years ago. Parks and Facilities Director Tapia suggested using the area around Knebler Pond instead. Ferguson said she would work with Tapia on planning.

Consent Agenda

Commissioner Warren made a motion to approve the consent agenda, to include the following items:

1. Approval of the July 7, 2015, regular meeting minutes as written.

Commissioner Oestmann seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the consent agenda approved.

City Commission of Arkansas City Meeting Minutes

Old Business

Creekstone Farms Tax Exemption

Ordinance No. 2015-07-4387

Public Information Officer Lawson presented for discussion a first reading of an Ordinance exempting property from ad valorem taxation for economic development purposes pursuant to Article 11, Section 13, of the Kansas Constitution; providing the terms and conditions for ad valorem tax exemption; and describing the property of Creekstone Farms Premium Beef, LLC, so exempted.

Mayor Giles opened a public hearing on the proposed exemption. No one commented. He closed the hearing.

Commissioner Every asked City Manager Hernandez if Creekstone had satisfied all of the obligations of its previous tax exemption. Hernandez said the company had fulfilled all of the terms of the 10-year agreement and has paid two years' worth of property taxes since the exemption ended. The new exemption would not change the current tax rate because the original building will stay on the tax rolls. Only the new \$20 million expansion would be tax-exempt for 10 years, after which it also would go on the tax rolls.

Commissioner Oestmann asked how many new employees Creekstone, which currently employs around 700 people, anticipated hiring as a result of the expansion and a possible second shift. Creekstone controller Tom Minton said 300 new employees was a good estimate, but it would depend on the marketplace. If good market conditions persist, he said that hiring could occur within two to three years.

Commissioner Oestmann moved to exempt the Creekstone expansion property from ad valorem taxation for economic development purposes. Commissioner Warren seconded the motion. A roll call vote was unanimous in favor of the motion. Mayor Giles declared the ordinance passed and given Ordinance No. 2015-07-4387.

Mayor Giles praised Creekstone not only for the business it brings, but its involvement in the community.

Standard Contractual Provisions

Ordinance No. 2015-07-4388

Public Information Officer Lawson presented for discussion a second reading of an Ordinance that would provide certain standard contractual provisions for the City of Arkansas City and amend Municipal Code to so reflect.

Commissioner Oestmann asked if the ordinance would decrease Niles' workload. She said she thinks it will because she won't have to negotiate these provisions anymore. City Manager Hernandez said the City will benefit because any contractual disputes would be adjudicated in Cowley County, not a company's home state.

Commissioner Warren asked if Hays had any problems with this. Niles said their city attorney has not had any.

Commissioner Every asked what would happen if a company agreed to all but one of the provisions. Niles said the City could choose to waive any of the provisions if it wanted to.

Mayor Giles moved to approve the standard contractual provisions and amend Municipal Code. Commissioner Every seconded the motion. A roll call vote was unanimous in favor of the motion. Mayor Giles declared the ordinance passed and given Ordinance No. 2015-07-4388.

City Commission of Arkansas City Meeting Minutes

New Business

Public Meeting for Budget Discussion

Resolution No. 2015-07-2976

Public Information Officer Lawson presented for discussion a Resolution setting a public meeting of the Governing Body at 5:30 p.m. Tuesday, July 28, 2015. The meeting would be to discuss the 2016 budget.

City Manager Hernandez said the second-to-last draft of the budget would be presented, along with a breakdown of what projects are included. He said he thinks the mill levy can be kept essentially flat, but added the commissioners will have to make some decisions regarding funding requests from outside agencies.

Mayor Giles moved to set a public meeting at 5:30 p.m. Tuesday, July 28, 2015, in the Commission Room at City Hall. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the resolution adopted and given Resolution No. 2015-07-2976.

Summit Plaza Plat

Ordinance No. 2015-07-4389

Public Information Officer Lawson presented for discussion a first reading of an Ordinance approving the plat of Summit Plaza and accepting land dedicated for the public purposes included therein.

City Planner White said the plat, which was approved earlier in the month by the Planning Commission, will divide the property into three separate lots and add a 17-foot strip of right-of-way along Summit Street.

Commissioner Every asked about issues of access for the two south lots. White clarified that if any new access points were created onto Summit Street, the southernmost existing drive would have to be closed.

Jim Sybrant, 1816 E. Chestnut Ave., who owns property to the west and south of Summit Plaza, addressed the Commission regarding drainage issues from the development property onto his property. He proposed working with the City and the developer to create some sort of stormwater detention system where the properties meet.

Mayor Giles moved to approve the plat of Summit Plaza and accept land dedicated for the public purposes therein. Commissioner Oestmann seconded the motion. A roll call vote was unanimous in favor of the motion.

Mayor Giles declared the resolution adopted and given Ordinance No. 2015-07-4389.

Cherokee Strip Museum Contract

Public Information Officer Lawson presented for discussion a Resolution approving a contract with Cherokee Strip Land Rush Museum, Inc. Prior to the action item, there was on the agenda an Executive Session of the Governing Body for the purpose of discussing confidential data relating to the financial affairs of a third party.

City Manager Hernandez said Commissioner Dan Jurkovich, who was absent, had requested that discussion of the contract be tabled until his return. Mayor Giles questioned why an executive session needed to be held.

Mayor Giles moved to table the contract until July 28. Commissioner Warren seconded the motion. A voice vote was unanimous in favor of the motion.

City Commission of Arkansas City Meeting Minutes

Public Hearing for CDBG Application **Resolution No. 2015-07-2977**

Public Information Officer Lawson presented for discussion a Resolution establishing the date and time of a public hearing of the Governing Body at 5:30 p.m. Tuesday, August 4, 2015. The hearing would be to consider an application to be submitted to the Kansas Department of Commerce's Small Cities Community Development Block Grant funds under the water/wastewater category. The planned project is for a wastewater line from the new Water Treatment Plant to the Wastewater Treatment Plant.

Commissioner Every asked if a different project could be submitted to the July 28 meeting of the Kansas Interagency Council. City Manager Hernandez said any project submitted would have to have preliminary engineering and he didn't think any of the City's other planned projects are that far along at this time.

Mayor Giles asked about the possibility of doing additional projects. Hernandez said the City could apply for multiple projects during the same year, but they would have to be in different categories.

Mayor Giles initially suggested tabling the resolution until July 28 to gather more information, but after additional discussion, he said it didn't sound like waiting was a viable option. Hernandez recommended passing the item.

Commissioner Warren moved to schedule a public hearing for 5:30 p.m. August 4 in the Commission Room at City Hall. Commissioner Oestmann seconded the motion. A voice vote resulted in three aye votes and one nay vote, with Commissioner Every dissenting. Mayor Giles declared the resolution adopted and given Resolution No. 2015-07-2977.

City Manager Updates

City Manager Hernandez presented information on the half-cent street sales tax that concluded in April. He explained the projects that had been completed so far and how much money was left in the special tax fund.

Mell Kuhn asked about the cost of privatizing brick repairs versus the suggested plan of designating a City employee to oversee a convict labor crew that could repair brick streets full-time. Hernandez said it was more expensive to privatize, based on the cost of projects that already had been completed.

Mayor Giles said he wasn't as concerned about brick repairs and emphasized that he just wanted to see the remaining sales tax dollars maximized in their use. Commissioner Warren said it seemed like the City could stretch the remaining dollars to repair many brick sections. Commissioner Every brought up the original literature for the street sales tax and said it promised \$500,000 worth of brick repairs. Mayor Giles said he disagreed with dictating the projects to City staff and that he trusted Hernandez to maximize the dollars.

Commissioner Every made a motion for City Manager Hernandez to put together a proposal for the allocation of the remaining street sales tax funds. Commissioner Oestmann seconded the motion. A voice vote resulted in two aye votes and two nay votes, with Mayor Giles and Commissioner Warren dissenting. Mayor Giles declared the motion failed.

Other Business

Police Chief Ward, Parks and Facilities Director Tapia, and Fire Chief Wolfe made their budget presentations for the Police Department, Parks and Facilities Department, and Fire-EMS Department, respectively.

City Commission of Arkansas City Meeting Minutes

Adjournment

Mayor Giles moved to adjourn. Commissioner Every seconded the motion. A voice vote was unanimous in favor of the motion. Mayor Giles declared the meeting adjourned.

THE ARKANSAS CITY
BOARD OF CITY COMMISSIONERS

Chad Giles, Mayor

ATTEST:

Lesley Shook, City Clerk