



MINUTE RECORD
Regular Council Meeting City of Haven

Meeting: REGULAR

Date: May 20, 2013

THE CITY COUNCIL MEETING IN REGULAR SESSION WAS CALLED TO ORDER AT 7:00 PM BY MIKE ALFERS, MAYOR, WITH THE FOLLOWING COUNCIL MEMBERS PRESENT:

Council Member: Adam Wright

Council Member: Don Etchison

Council Member: Les Banman

Council Member: Paula Scott (at 8:10PM)

Council Member: Daniel Loop

Others: Allen Blake, Cole Rush, Jonathan Lawrence, Leslie Warden, Steve Carmichael, Lindsey Young, Larry Bolton, Willis Wilson, Roy Lanning, Jessica Hoskinson, Gary Trear.

City Administrator, Allen Blake, requested an executive session to discuss the job performance of the part-time janitor.

Executive Session

At 7:03 PM, Wright moved for the Council to recess into executive session pursuant to the attorney-client privilege to discuss the Cupps' easement issue with City Administrator, Allen Blake, and City Attorney, Larry Bolton, present, the open meeting to resume at 7:18 PM. Etchison seconded, and the motion carried with four "yes" votes.

At 7:21 PM, regular session resumed with no action taken during executive session.

EDC: Presentation of Evaluation and Cost Benefit Analysis Model

Jessica Hoskinson, Economic Development Director, began by acknowledging that the sentiment in the community is that businesses do not feel support or equally supported by the City. Therefore, the EDC wanted to provide a tool for the governing body to use when evaluating a business's request for additional services, infrastructure needs, incentives, etc. The model provided says that if the City spends \$1 on a business and gets \$1.20 in return that is a good investment. Mayor Alferts marked the creation / adoption of a cost benefit analysis model as a big first step for the City. Hoskinson noted the model would be monitored / adjusted for accuracy as it is used. Different methods of ensuring the City receives the predicted benefits were discussed – deadlines, prorating incentives.

City Clerk, Leslie Warden, asked how the City intended to budget the funding for this. Mayor Alferts suggested giving businesses a break on their utilities rather than writing a check. Warden pointed out that method of payout would still have to be budgeted for because revenues are also budgeted. She suggested setting aside a certain amount of money, but once that money has been distributed, requests will not be able to be fulfilled until the next budget year. Blake agreed with this method.

Banman moved to approve the model. Loop seconded, and all voted in favor of the same.



The model was then applied to Shep Chevrolet's recent request for an electrical upgrade. The model showed that investing a \$1 would return \$1.50 to the City. Over ten years, the projected economic benefit from Shep Chevrolet's expansion is \$49,936. Shep Chevrolet will receive a tax rebate of \$14,682 over ten years and the EDC proposed the City offer additional incentives of \$18,000 to the dealership. This would still net a benefit of \$17,254 to the City over ten years. Loop moved to approve the \$18,000 incentive to Shep. Wright seconded, and the motion passed unanimously.

At this point, the Mayor noted that Marlon Cohn, owner of Haven Steel Products, is aggressively pursuing property in Hutchinson with the intention of moving the Haven operations there. Alferts has been in communication with Cohn, and the EDC is working with Tom Oxley on running a cost benefit analysis for Haven Steel. Alferts and Hoskinson expressed their desire to go to Chicago, IL to have a sit-down with Cohn. All in attendance voiced their support of that. Lanning noted that any incentives the City would consider giving Haven Steel would be subject to budget restraints because the benefits that the company brings to the City are so valuable.

Willis Wilson, Aquatech Engineering: Approve Bid on Treatment Plant

Willis provided a letter outlining the bids received on the nitrate removal part of the project. Etchison moved to award the low-bidder, Walters Morgan, with the project, utilizing Alternate 2, contingent upon the approval of USDA Rural Development. Wright seconded, and the motion carried four to zero.

Wilson then presented Change Order No. 2 to the Council. The order entails installing two more lines rather than four as originally proposed. This is due to project funding, which turned the discussion to the next agenda item.

Discuss Close-out of Water Project Funding

The City's engineer's estimate of the project is \$6 million. USDA's engineer's estimate of the project is \$4.9 million, which has proved quite accurate. However, now that all the bids have been received and accepted, it appears the City will require an additional \$103,000 to \$176,000 to complete the project. This money would not need to be paid out until the end of the project. The City can either utilize cash on hand in the Water Fund (currently a round \$196,000) or include this money in the 40-year loan with USDA. (Scott arrived around this time -- 8:10 PM.) Warden noted that she and Blake had looked at the options, and she would feel much more comfortable paying the money out of the Water Fund if the Council would implement the planned and budgeted water rate increase earlier than next year. Loop moved to pay the additional funds out of the Water Fund. Banman seconded, and the motion passed five to zero. However, no one voiced their desire to evaluate a water rate increase prior to October.

Having settled project funding, the discussion returned to Change Order No. 2. Wright moved to approve Change Order No. 2. Scott seconded, and all voted in favor of the same.

Consider Planning Commission's Recent Recommendations

Blake advised that the Commission considered a change of the zoning code to allow residential use of the second floor of a two-story building in a commercial area. This proposed change would currently apply only to 109 S. Kansas. The Commission heard from two business owners in person and another via e-mail and rejected the proposed change, thereby requiring no action from the Council on this topic.

Mayor Alferts inquired about the existing special use permit issued to owner of 109 S. Kansas. Blake advised that the permit was issued utilizing the lodging house designation in the zoning code, which notes that any stay there must be longer than a hotel stay but less than a permanent residence. Scott noted that



seems to be just the problem; there's no definition of "temporary." Blake again reiterated that a lodging house is somewhere between a hotel and a rental. Alfors said that Susan Stucky has reported that someone is living there "permanently." Blake suggested securing the City Attorney's opinion on the matter. He also commented that he didn't know how to resolve the issue or if it needs resolved. Etchison thought that however the City chooses to handle it, it should not be done verbally. At this time, Blake retrieved the zoning code and read the definition of a lodging house, which noted that it is for prearranged stays for a definite period of time. Blake offered to write the owner a letter outlining what has been reported to the City. Wright thought the letter should come from the Chief of Police instead. Alfors suggested revoking the special use permit and giving the owner six months notice of the same.

The Planning Commission also held a public hearing on the Energy Transfer's application for a building permit. The Council was provided with a map and the draft minutes of the Planning Commission meeting. Scott moved to approve Energy Transfer's plans. Etchison seconded, and the motion carried five to zero.

Appointment to Park Board

Scott moved and Etchison seconded to appoint Delon Martens to the Park Board for a term expiring January 2016. Motion carried.

City Administrator / Public Works Director Updates

CA / PWD, Allen Blake, presented the following updates:

- Lift has been installed at the swimming pool.
- Mowing jobs continue to be steady.
- A few individuals will be doing community service for scholarships. Blake plans to have them take care of some of the weeds downtown.
- PWD has begun spraying for weeds in other areas as well.
- We have received three applications for lineman, and Blake will interview one applicant on Thursday. However, he proposed re-running the ads and placing an additional one in the Wichita Eagle.
- Footings for the new water tower are in and a cap will be poured on top next week.
- Mayor Alfors inquired about the water tower design. Warden advised that the engineer has talked to her about that, and she hopes to have a new drawing at the next meeting.
- Blake presented a bid for the Shep electrical work from Kilian Electric. It totaled \$12,510 for labor only, where the bid from Kenny's Electrical Co. was \$5,558. Banman moved to give the work to Kenny's Electric. Etchison seconded, and the motion carried four to one. Wright cast the opposing vote.
- Scott inquired about the previously reported safety issues with the digger truck. Blake advised the tongs have been replaced but the vehicle's safety will be verified prior to putting it on an electrical job.

Minutes

Minutes from the May 6, 2013, meeting were unanimously approved with a motion from Scott and second from Etchison.

Accounts Payable

Scott moved to pay bills totaling \$206,901.88. Etchison seconded, and the motion passed unanimously.



Members were provided with a financial summary of receipts and disbursements for the month of April as well as a comparison of actual to budgeted expenditures for January through April.

Executive Session

Etchison moved that the Council recess into a ten-minute executive session pursuant to the non-elected personnel exception in order to discuss the job performance of the part-time janitor with City Clerk, Leslie Warden, and City Administrator, Allen Blake, present. Wright seconded, and the motion carried.

At 9:00 PM, regular session resumed with no action taken during executive session.

Adjournment

Etchison moved and Wright seconded for adjournment. The motion passed unanimously.

/s/
Mike H. Alferts, Mayor

Attest:

/s/
Leslie Warden, City Clerk