



MINUTE RECORD
Regular Council Meeting City of Haven

Meeting: REGULAR

Date: July 2, 2010

THE CITY COUNCIL MEETING IN REGULAR SESSION WAS CALLED TO ORDER AT 7:00 PM BY CODY R. LITTLESTAR, MAYOR WITH THE FOLLOWING COUNCIL MEMBERS PRESENT:

Council Member: Don Ford

Council member: Paula Scott

Council Member: John Mitchell

Council Member: Jeff Stringer

Council Member: Amy Hirst

ABSENT: None.

Others: Leslie Warden, Allen Blake, Allen Andresen, Sonia Yutzy, Phillip Fishburn, Willis Wilson, Tom Finger, Tony Troyer, Mark Robinson, Christie Nienstedt, Debbie Matteson, and Adam Wright.

No additions to the agenda were requested.

No public comment was made.

Tom Finger with USDA Rural Development: Water Project

Prior to introducing Tom Finger with USDA Rural Development, City Administrator, Allen Blake, delivered a brief overview of the City's water well and water system history. Blake also noted the need for the City to pay off the 2001 Bond Issue in 2011 if we intend to move forward with the water project.

Tom Finger, the area specialist from USDA Rural Development, noted that the USDA usually cannot fund projects so large, but currently can due to the availability of the ARRA / Federal stimulus funds. The City has been approved for a 40-year \$3.435 million loan at a fixed rate of 3.25% and a grant of \$1.472 million. In regards to this, Finger presented a lengthy Letter of Conditions, which required the approval of the Council and the Mayor if the City intended to move forward. Finger highlighted several portions of the Letter of Conditions, including the need for a full-time inspector during construction as well as a timeline regarding construction. The Letter also contained a paragraph mandating that the City "Buy American," which Finger noted should not be an issue.

Finger went over the adjustments to the Water Project budget figures. The construction cost was decreased by \$130,000.00 due to the originally conservative estimate of the price per foot of pipe. The contingency fees were reduced by \$240,000 and the engineer's fees by \$100,000. Willis Wilson of Aquatech Engineering Consultants advised he was comfortable with the adjustments the State engineer, Randy Stone, made.

Before the USDA loan is made available to the City, we would have to acquire interim financing to begin construction. Several other things must be accomplished before this happens, however.



Several employees must be secured with fidelity bonds, and a bond ordinance would have to be passed.

From start to finish, the project would be overseen by the USDA, who would require ongoing quarterly reports as well as an A133 audit in 2011 to monitor the disbursement of funds.

At 7:35 PM, Finger offered to address any questions. Council member, Jeff Stringer, asked about the wage rate requirement mentioned in the Letter of Conditions. Finger advised those requirements referred to the rates of contractors and are set by the Department of Labor. Because contractors will be placing bids and are generally aware of the wage rate requirements, it is really a non-factor.

Mayor Littlestar asked who would formulate the timeline. Phillip Fishburn of Midwest Assistance Program noted that ultimately the City Council is responsible for the outcome of the project. However, all those involved in the water project will formulate the timeline, which is meant to be a tool to encourage progress. Wilson advised a computer scheduling program would be set up with Allen Blake, where each task would have a link and a summary explaining the breadth of the task.

Phillip Fishburn provided further explanation of "interim financing," and likened it to a construction loan for building a house. He advised that bond counsel can help the City obtain affordable interim financing.

Council member, John Mitchell, asked how come the 2001 Bond Issue was being called in, but the bonds for the sewer lagoon project were not. Finger explained that was simply because only the bonds on the water utility were being called in. USDA does not want the City to reflect any other debts on their water utility.

Mitchell also contended that the "magic" \$21 increase per household would not be sufficient. According to his figures, the increase per household would need to be at least \$31.70. Further discussion clarified that the \$21 increase that had been mentioned at previous discussions referred to the increase for an average user (about 5,000 gallons). It was not a general per household increase.

Finger went over the operating budget, explaining that the Council would need to carefully and continually evaluate their rate schedule to ensure costs are covered. As far as the \$20 increase per average user goes, that figure is based on a community rate of \$41 per average user, which is comparable to other communities that the USDA is assisting. Without the grant money, the monthly cost per average user would be more like \$50 - \$55. Additionally, because the majority of ARRA funds are already assigned, Finger noted it is highly unlikely that the USDA would be able to help us again.

Again, Mitchell spoke up and commented on the deterioration of the City's current water infrastructure. He noted that the water project offers very little improvements to the older areas of town, such as Kansas and Main. Instead, the project calls for 3.2 miles of new construction. Wilson pointed out that the water project actually does include improvements to the Wichita Avenue area, which currently has only a 2" water main. The project also calls for looping all but



one dead-end. Usually, according to Wilson, the weakest part of an old water system is its valves, which will all be replaced with the water project.

At this time, Finger presented several forms for certification and execution, noting the first five would need to be completed tonight.

Council member, Don Ford, directed the discussion back towards the projected rate increase. After several members spoke up to provide clarification, Finger pointed out there is no painless way to generate revenue and kindly asked the Council for a decision.

Council member, Amy Hirst, expressed her desire for Haven to grow, to flourish. She furthered that the Council must look forward.

At 8:40 PM, Paula Scott moved for the approval of documents 1 – 14 presented in the Letter of Conditions by Mr. Finger. Ford seconded the motion, and it passed four to one. Mitchell held the opposing vote.

At 8:50 PM, Paula Scott moved for the approval of the 2nd Amendment to the Engineering Agreement. Again, Ford seconded the motion, allowing it to pass four to one. Mitchell casted the opposing vote.

Debbie Matteson: Booster Fundraiser

At 8:52 PM, Debbie Matteson and Christie Nienstedt of the Wildcat Booster Club addressed the Council to request the use of the tennis courts to hold a dollar dance from 9 – 11 PM on Spirit Night, August 27, 2010. Matteson indicated she had already spoken to the maintenance supervisor about arranging for electricity and lights. Stringer moved for approval of the use of the tennis courts for said purpose. Scott seconded, and the motion passed unanimously.

Shortly thereafter, due to the excessive time spent on the water project, Scott moved to defer two agenda items to a later meeting. Ford seconded, and the motion passed unanimously.

Adam Wright: West Alley behind South Wichita Avenue

Immediately south of his house, Adam Wright recently poured a concrete slab, which juts out into the alley, which is City property. Wright said that he used an average alley width of 12 feet for the purposes of pouring the concrete. However, City maps show the alley to be a width of 18 feet. Wright also advised that Allen Blake did not notify him of the problem until the concrete had been poured. Blake advised to the contrary, noting that when he called Wright contractors were there merely building the forms. Wright had the cement poured after Blake pointed out to him the approximate property line and advised him to stay behind it to avoid problems. Therefore, per the advice of the City Attorney, Blake sent Wright a letter, providing him with options for removal of the concrete. Ultimately, though the Mayor, majority of the Council, and City Administrator were certain that Wright's concrete crossed over onto City property, because nobody had had the property surveyed, they could not say how far.

Wright advised that he had previously obtained an estimate for having his property surveyed, and it ranged from \$600-800. He also had spoken to his attorney, Dan Forker, who suggested Wright enter into a signed agreement with the City regarding the concrete and the maintenance of the



same. The Council was not interested and felt that the exact location of the property lines should be established.

Mitchell said that as far as he is concerned anybody can pour cement on any alley anywhere, and to consider having the property surveyed or disputing the location of the property lines is merely a waste of the Council's time.

Stringer urged consistency in dealing with the matter. He moved to have the property surveyed and to have the costs assessed to Wright if the concrete is indeed discovered to be on City property. Scott seconded, and the motion passed four to one. Mitchell held the opposing vote. Wright asked if the Council would be willing to split the cost, and the Council responded negatively, noting that he did receive timely notice.

Ambulance Board: Proposed 2011 Budget

At 9:20 PM, Tony Troyer, EMS Director, presented the Ambulance Board's proposed 2011 Budget. It calls for a nearly \$2/hour raise for daytime staff, increasing said line item by \$15,000 compared to last year. The cost of accident indemnity insurance through AFLAC has also been added as part of the budget, as well as the cost of Blue Cross Blue Shield health insurance for full-time staff.

Though the Council had no major concerns with the proposed budget, Scott did comment that in the interest of fairness to every department, she felt raises for all employees should be evaluated at the same time, rather than simply implementing them at budget time.

Mark Robinson: Pay Rates of Manager / Assistant Manager

Per the request of the Council, Mark Robinson, pool manager, appeared to answer questions regarding the pay rates and hours of the pool's managerial staff. Robinson noted that he and the assistant manager work approximately 25 – 30 hours per week. Using an estimate of 27 hours per week and his current rate of \$55 per day, Robinson's hourly wage came out to \$15.40. Lesperance's came out to \$12.20. Robinson said he is content with his current wage but has not had a raise in three or four years. Though the Council did not vote to increase his wages for this year, they did say they wished to revisit offering the pool managerial staff equitable wages next year.

Additional pool issues were discussed, including use of natural gas, water loss, and the need for filter sand to be replaced every year.

Maintenance Project Updates

At 9:45 PM, maintenance supervisor, Allen Andresen, provided the following updates:

- Unwanted items have been appearing in the recycle trailer. It has been moved back to its original site at 120 N. Kansas. The Council recommended wide advertising of the fact that should unwanted items continue to appear in the recycle trailer, it may be removed from service.
- Water meters to replace the old Trident meters have been ordered.
- The ditches at 5th and Haven Buhler Road have been cleaned.
- The 400 amp service for Haven Steel is online.
- An electrical update for Kwik Shop and All Sports Liquor is being planned.
- Andresen plans to perform a quick job at Haven Steel on July 5 while the plant is shut down.



- On July 19, 2010, there is a confined space class in Hutchinson, which Andresen would like for Tony Howlett to attend. The cost is \$170. The Council approved the same.
- Andresen will not be at the meeting on July 16th.

City Administrator Project Updates

City Administrator, Allen Blake, presented to the Council the following:

- Recommendations from the Capital Improvement Committee were presented.
- Since the advertisement of the \$1000 reward, at least one tip has been provided to aid the gas card investigation.
- An amended Police Department budget for 2011 was provided, showing the changes the Council had previously suggested.
- Dennis Pogue, burn site attendant, spoke to Blake about the accusation he was showing favoritism at the burn site. He advised that he does not allow people in during off-hours and does not show favoritism to those close to him or otherwise.

Sonia Yutzy of Park Board: Mural for Centennial Shelter

Sonia Yutzy, chairperson of the Park Board, presented a \$900 bid for a pioneer-themed mural to be painted on the Centennial Shelter. Brief discussion took place and then Ford moved to approve the project providing the expenditure does not exceed \$900. Scott seconded, and the motion passed unanimously.

Request for Special Governing Body Meeting

At the previous meeting, the Council agreed to hold a Special Meeting for purposes of discussing the budget on Friday, July 23, 2010. Since then, Hirst and Ford discovered that date is not feasible for them. Therefore, the Council rescheduled the Special Meeting for Wednesday, July 21, 2010, at 6:00 PM, pending the availability of Jan Nolde from Swindoll, Janzen, Hawk & Loyd, LLC.

Executive Session

At 10:25 PM, Paula Scott moved that the Council recess into a 5-minute executive session pursuant to the non-elected personnel exception to discuss hiring of a maintenance helper with Blake and Warden present. Stringer seconded, and the motion passed unanimously.

Regular session resumed at 10:30 PM with no action taken during executive session. However, Scott then moved to hire Jonathan Hargrave as maintenance helper at \$12.00 per hour with the customary benefits. Stringer seconded, and the motion passed unanimously.

At 10:30 PM, Scott moved that the Council enter into a 10-minute executive session pursuant to the non-elected personnel exception to discuss a disciplinary issue with Blake and Warden present. Ford seconded, and the motion passed five to zero. Regular session resumed at 10:40 PM with no action taken during executive session.

Minutes

Minutes from the June 18, 2010, meeting were unanimously approved by a motion from Stringer and a second by Mitchell.



Accounts Payable

Ford moved for the approval of the payables, excluding those to Mitchell Hardware, totaling \$49,581.48. Hirst seconded, and the motion passed five to zero. Ford moved for the approval of payables to Mitchell Hardware, totaling \$190.48. Hirst seconded, and the motion passed four to zero.

Adjournment

At approximately 10:50 PM, Ford moved and Stringer seconded for adjournment. The motion passed five to zero.

s/s
Cody R. Littlestar, Mayor

Attest:

s/s
Leslie Warden, City Clerk