

MINUTES
SPECIAL CITY COMMISSION MEETING
TUESDAY, JULY 10, 2012
5:00 P.M.

The Special City Commission Meeting of the City Commission was held at 5:00 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, 11 staff, and approximately 22 interested citizens.

PLEDGE OF ALLEGIANCE

Mayor Pepperd led the Commission in the Pledge of Allegiance.

SPECIAL MEETING AGENDA

CLAIMS REGISTER NO. 2705

After discussion, Commissioner Jankovich moved to approve Claims Register No. 2705 authorizing and approving the payment of claims from June 13, 2012, to June 26, 2012, in the amount of \$4,725,968.39. Commissioner Sherow seconded the motion. On a roll call vote, motion carried 5-0.

PUBLIC HEARING – LEVY SPECIAL ASSESSMENTS (GOB 2012-B)

Ron Fehr, City Manager, presented an overview of the item.

Mayor Pepperd opened the public hearing.

Hearing no comments, Mayor Pepperd closed the public hearing.

FIRST READING – LEVY SPECIAL ASSESSMENTS (GOB 2012-B)

Commissioner Jankovich moved to approve first reading of an ordinance levying special assessments against the benefiting properties in the following two (2) projects, which have been completed: *KSU Foundation Addition – Sanitary Sewer (SS0812) and Miller Ranch Addition, Unit Three, Phase Two – Street (ST1102)*. Commissioner Sherow seconded the motion. On a roll call vote, motion carried 5-0.

WORK SESSION

PRELIMINARY 2013 BUDGET AND PRELIMINARY 2013-2018 CAPITAL IMPROVEMENTS PROGRAM (CIP)

Linda Knupp, Director, Manhattan Public Library, presented an overview of key elements of the 2013 Budget for the Manhattan Public Library. She then responded to questions from the Commission.

Cindy Bontrager, Assistant Vice President/Budget Planning, Kansas State University, City/University Projects Fund, presented an overview of projects proposed for 2013. She then responded to questions from the Commission and provided additional detail on the proposed projects and funding for the Visitor's Center.

Lauren Palmer, Assistant City Manager, provided additional information on the Visitor's Center and funding request.

Deanna Hall, President, Crime Stoppers of Manhattan/Riley County, presented background information on Crime Stoppers and the funding mechanisms that support their efforts to make Manhattan a safer place to live and do business. She then provided additional information regarding funding received from court costs at Municipal Court.

Ron Fehr, City Manager, provided additional information on funds received from Municipal Court.

Lyle Butler, President, Manhattan Area Chamber of Commerce, presented a mid-year overview of contract services with the City of Manhattan and budget request for 2013. He presented information on the Manhattan hotel properties; transient guest tax receipts; marketing efforts and tools employed; and conferences, tours, events, and associated revenues generated. He presented an overview of the Economic Development funding sources and funding trends between the City of Manhattan and the private sector; strategies for growth; annual new building permit values; workforce development; and the potential workforce pool with Fort Riley. He provided an update on the Military Relations Committee and program. He also provided information on the Manhattan 24/7 program to market Manhattan, Manhattan pull factors and rankings, retail sales figures, and recent accolades received from Forbes and Area Development magazines.

Frank Beer, Chair-Elect, Manhattan Area Chamber of Commerce Board of Directors, voiced appreciation with the partnership between the City and the Chamber and stated that the Chamber has stepped-up fundraising for the Advantage Manhattan program. He provided additional information on the Manhattan 24/7 program and efforts necessary to be a retail trade center.

Ron Fehr, City Manager, provided an overview of the Flint Hills Discovery Center and proposed 2013 Budget.

WORK SESSION (CONTINUED)

PRELIMINARY 2013 BUDGET AND PRELIMINARY 2013-2018 CAPITAL IMPROVEMENTS PROGRAM (CIP) (CONTINUED)

Bob Workman, Director, Flint Hills Discovery Center, presented an overview of the financial summary, memberships, volunteers, and usage statistics for the Flint Hills Discovery Center. He then responded to questions from the Commission regarding volunteers, budget and donations, exploration of a potential restaurant, and the Flint Hills Discovery Center Foundation.

Cheryl Collins, Director, Riley County Museum, responded to questions from the Commission regarding the operating costs of the Wolf House Museum and informed the Commission that the support the City provides is appreciated.

Pamela Jager, Operations Officer, City of Manhattan, presented an overview of changes made from the third Work Session on the proposed 2013 City Budget; the proposed 2013 mill levy; major contributors to increases in the 2013 Budget; current increases in property taxes for City and outside services; and options for the Commission to reduce property taxes. She provided information on the Budget publication deadline and stated that the public hearing of the 2013 City Budget would be held August 14, 2012.

After discussion and comments from the Commission regarding Crime Stoppers of Manhattan/Riley County, Commissioner Matta requested that City Manager Fehr contact Brad Schoen, Director, Riley County Police Department (RCPD), to see if he would be willing to absorb the Crime Stoppers funding request as part of the 2013 RCPD Budget.

Ron Fehr, City Manager, responded to questions from the Commission and provided additional information on the partnership with the Manhattan Area Chamber of Commerce and the success of the Advantage Manhattan program to leverage private funds that support economic development initiatives.

After discussion and comments from the Commission regarding the Convention and Visitors Bureau and use of the transient guest tax, Ron Fehr, City Manager, provided an overview of Charter Ordinance No. 46 regarding disbursements from the city Transient Guest Tax Fund. He then responded to questions from the Commission and provided additional information on the Economic Development Fund and revenue projections, as well as revenue projections and the budget for the Flint Hills Discovery Center.

Bernie Hayen, Director of Finance, responded to questions from the Commission regarding the proposed mill levy and considerations regarding the impact on the mill levy.

WORK SESSION (CONTINUED)

PRELIMINARY 2013 BUDGET AND PRELIMINARY 2013-2018 CAPITAL IMPROVEMENTS PROGRAM (CIP) (CONTINUED)

After additional discussion and comments from the Commission regarding the proposed 2013 Budget reduction options and quality of life and growth-related items, Ron Fehr, City Manager, provided additional information on the possible reduction list provided and informed the Commission that a consensus is needed on what the publication amount should be for the August 14, 2012, public hearing on the 2013 City Budget.

Bernie Hayen, Finance Director, and Ron Fehr, City Manager, provided additional information and clarification on the items and options provided as potential reductions for the 2013 Budget. They both responded to questions from the Commission and provided additional information regarding cuts that have already been made in the proposed 2013 Budget and stated that updated sales tax figures will be available at the August 14, 2012, Special City Commission meeting.

Ron Fehr, City Manager, responded to questions from the Commission regarding initiating parking fees for the new parking garage and informed the Commission that an overall parking management strategy and analysis is needed. He suggested that the Commission move forward with publishing the budget and implementing items suggested in Option B (*See Attachment No. 1*) and reiterated that the published budget amount can be reduced. He reiterated that the public hearing and first reading of an ordinance to finalize the 2013 Budget would be on the August 14, 2012, Special City Commission meeting.

Bernie Hayen, Director of Finance, voiced concern with the bonding rating agencies reaction to potential reductions in reserve accounts.

After additional discussion and comments from the Commission on the proposed 2013 Budget and Budget Reductions List, Mayor Pepperd stated that a consensus is needed on the publication of the budget and that there is a desire from the majority of the Commission to go through Option D (*See Attachment No. 1*) reductions, minus the delinquencies listed for publication, and to keep the General Fund Reserves and the Bond and Interest Reserves.

Peter Van Kuren, Airport Director, responded to questions from the Commission regarding the personnel requested in the 2013 Budget. He stated that when the Manhattan Regional Airport expansion is completed to meet the continued growth of the Airport, the two positions will need to be filled to meet the demands.

Ron Fehr, City Manager, informed the Commission that it is his understanding that there is a majority of support to proceed with publication of the 2013 Budget through Option D, without the delinquencies.

WORK SESSION (CONTINUED)

PRELIMINARY 2013 BUDGET AND PRELIMINARY 2013-2018 CAPITAL IMPROVEMENTS PROGRAM (CIP) (CONTINUED)

Jason Hilgers, Assistant City Manager, provided additional information on the revised budget and the projected impact on the mill levy.

At 7:45 p.m., Mayor Peppered informed the community that the Commission would be discussing the sales tax initiative and Metropolitan Planning Organization items after a brief recess.

SALES TAX INITIATIVE

Mayor Pepperd introduced the sales tax initiative discussion item and announced that the Riley County Commission has decided to proceed ahead with its own quarter-cent sales tax proposal for voters in November without receiving an opinion from the Attorney General's Office.

Ron Fehr, City Manager, provided additional information on the item and informed the Commission that this topic will be on the next Joint City/Riley County/Pottawatomie County meeting agenda. He distributed and highlighted the City Commission Agenda Memorandum from the March 27, 2012, City Commission meeting regarding the discussion of ballot options for the renewal of the 2002 Riley County Roads and Jobs half-cent sales tax and provided possible options and considerations on the timing of the ballot question for either November 2012, April 2013, or holding a special election. He then responded to questions from the Commission.

The Commission discussed the importance for the renewal of the sales tax to be successful and discussed the pros and cons regarding the timing for the ballot.

Lyle Butler, President, Manhattan Area Chamber of Commerce, responded to questions from the Commission regarding the importance and considerations on the timing of the sales tax initiative ballot question. He stated that it will be important to provide adequate time for education and to make very clear that this would be a renewal of an existing tax and not an additional tax. He said that voters will need to be aware that a city sales tax will capture city sales tax revenues in Pottawatomie County.

Ron Fehr, City Manager, responded to questions from the Commission and stated that the sales tax currently being collected would end December 31, 2012. He then highlighted several projects completed with the use of economic development funds.

WORK SESSION (CONTINUED)

SALES TAX INITIATIVE (CONTINUED)

After additional discussion and comments from the Commission regarding the pros and cons on the timing of the ballot question for the City and use of sales tax proceeds, Ron Fehr, City Manager, informed the Commission that City staff would work on framing the language for the ballot question, defining initiatives for use of the sales tax proceeds, and stated that the earliest the item would be back to the City Commission for action would be at the August 14, 2012, City Commission meeting.

Lauren Palmer, Assistant City Manager, provided additional information on the importance of timing and stated the item will need to be completed in August in order for Riley County to have the question on the November election ballot.

METROPOLITAN PLANNING ORGANIZATION

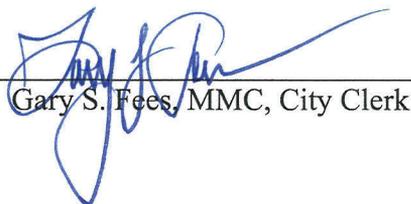
Mayor Pepperd provided background information on the Metropolitan Planning Organization (MPO) meeting held earlier in the day.

Ron Fehr, City Manager, provided additional information on the representation of those present at the MPO meeting and discussed the option maps that were provided. He stated that the item would be discussed at the next Joint City/Riley County/Pottawatomie County meeting.

After additional discussion and comments voiced by the Commission on the option maps presented, Ron Fehr, City Manager, provided clarification on the transportation plan and map preferences. He then provided an overview from the MPO discussion meeting and responded to questions from the Commission regarding the MPO map options and boundaries, the grant application process, and the financial and staffing responsibilities and considerations of the MPO.

ADJOURNMENT

At 9:00 p.m., the Commission adjourned.



Gary S. Fees, MMC, City Clerk

2013 Budget Reduction List						
Target	Reductions Needed	Expressed in Mills	Action Required			
Absorb 25% of Fire Station Increase	0	0	Option A - No Further Reductions Needed			
Absorb Fire Personnel & Operations	71,729	0.155	Partial Option B			
Flat City Services Mill Levy	360,455	0.778	Options B, C, & Partial D			
<i>*This would absorb all of the new fire stations increase</i>						
Paritally Absorbing RCPD & Library Increase	605,687	1.308	Options B, C, D			
Flat Mill Levy (absorbing entire RCPD & Library increase)	1,006,565	2.173	Options B, C, D, E			
				Total Impact		
Expenses	Action	Possible Cuts	Mill Levy	Overall Mill Levy	Mill Levy Increase over 2012	Property Tax Increase over 2012
<i>No Changes to Currently Proposed Budget - Absorbs \$105,271 of New Firestations Increase</i>						
Option A - Impact to Levy		-	-	44.331	2.175	1,006,565
<i>Utility Transfer</i>	<i>Increase to General Fund for Admin. Expenses</i>	(40,000)	-0.086			
<i>Tech Budget (General Services)</i>	<i>Postpone Computer Equipment Upgrades</i>	(10,000)	-0.022			
<i>K-18 Payment</i>	<i>Move back to Economic Development</i>	(15,000)	-0.162			
<i>DMI Payment (is not included in the reduction list below, but could be reduced if Option D were chosen)</i>	<i>Move back to Economic Development</i>	(45,000)	-0.097			
Option B - Impact to Levy		(170,000)	(0.367)	43.964	1.808	836,565
<i>Reduce Capital Improvements</i>	<i>FRD16E - Code Services Vehicle</i>	(18,000)	-0.039			
<i>Reduce Capital Improvements</i>	<i>ST046P - City Wide Pavement Management Study</i>	(25,000)	-0.054			
<i>Sales Taxes</i>	<i>Increase Additional 1%</i>	(51,476)	-0.111			
<i>Arts in the Park (P&R)</i>	<i>Reduce Number of Free Public Concerts</i>	(18,000)	-0.039			
<i>RCPD Delinquency</i>	<i>Lower the Delinquency Rate by 1/2% (Will be 1.5%)</i>	(65,038)	-0.140			
Option C - Impact to Levy		(177,514)	(0.383)	43.581	1.425	659,051
<i>Reduce Capital Improvements</i>	<i>SZ005E - Sunset Zoo Van</i>	(25,000)	-0.054			
<i>Part-time Zoo Keeper</i>	<i>Deny Request</i>	(13,488)	-0.029			
<i>Part-time Customer Service Rep I (Recreation)</i>	<i>Deny Request</i>	(15,208)	-0.033			
<i>Special Assessment Delinquency</i>	<i>Lower the Assumed Delinquency Rate by 1%</i>	(63,000)	-0.136			
<i>SSAE (Outside Services)</i>	<i>Reduce by 5%</i>	(18,680)	-0.040			
<i>Flint Hills Area Transportation Agency</i>	<i>Reduce by 5%</i>	(2,744)	-0.006			
<i>Mamattan Arts Center</i>	<i>Reduce by 5%</i>	(2,300)	-0.005			
<i>Crimstoppers</i>	<i>Reduce by 5%</i>	(250)	-0.001			
<i>Municipal Band (P&R)</i>	<i>Reduce by 5%</i>	(1,240)	-0.003			
<i>Wolf House</i>	<i>Reduce by 5%</i>	(250)	-0.001			
<i>Airport Admin Assistant</i>	<i>Deny Request</i>	(22,759)	-0.049			
<i>Airport Maintenance Technician</i>	<i>Deny Request</i>	(28,216)	-0.061			
<i>RCPD Delinquency</i>	<i>Lower the Delinquency Rate by 1/2% (Will be 1%)</i>	(65,038)	-0.140			
Option D - Impact to Levy		(258,173)	(0.557)	43.023	0.867	400,878
<i>General Fund Reserves (General Services)</i>	<i>Reduce Reserves</i>	(200,000)	-0.432			
<i>Bond & Interest Reserves</i>	<i>Reduce Reserves</i>	(200,000)	-0.432			
Option E - Total Impact to Levy		(400,000)	(0.864)	42.159	0.003	878
TOTAL OF IMPACT FOR ALL OPTIONS		(1,005,687)	(2.173)			