



*MINUTES  
CITY COUNCIL MEETING  
COUNCIL CHAMBERS – HUTCHINSON, KANSAS  
SEPTEMBER 20, 2016  
9:00 A.M.*

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1. The Governing Body of the City of Hutchinson, Kansas met in regular session at 9:00 a.m. on Tuesday, September 20, 2016 in the City Council Chambers with Mayor Daveline presiding. Councilmembers Dechant, Soldner, and Piros de Carvalho were present. Councilmember Inskip was absent from the meeting.
2. The Pledge of Allegiance to the flag was recited.
3. The prayer was given by Pastor William Green of Macedonia Missionary Baptist Church.
4. Proclamations
  - a. A Proclamation for the Downtown Hutchinson Rod Run & Classic Car Show Weekend was accepted by Jim Gruver. Mr. Gruver thanked all of the City departments for their assistance, as well as all of the volunteers that help with this event.
5. Petitions, Remonstrances and Communications
  - a. Oral communications from the audience. (Please limit your remarks to five (5) minutes and to items NOT on the agenda.)

There were no oral communications from the audience.
6. Consent Agenda
  - a. Approval of Minutes of September 6, 2016 City Council meeting.
  - b. Approval of appointment to the Public Art Design Council of Charles Johnston, 1022 E. Sherman, to fill the unexpired term of David Murano for the initial two-year term beginning 7/01/2015 to 7/01/2017.
  - c. Approval of August financial reports.
  - d. Approval of appropriation ordinance in the amount of \$924,123.20.

Motion by Councilmember Dechant, second by Councilmember Soldner, to approve the Consent Agenda and authorize the Mayor to sign. The motion passed unanimously.

7. Public Hearing

a. Public hearing regarding BOLD, LLC.

Motion by Councilmember Piros de Carvalho, second by Councilmember Soldner, to open the public hearing. The motion passed unanimously.

John Deardoff, City Manager, spoke about the project; and gave a review of the payment in lieu of taxes.

Greg Clark said he had a question about the tax abatement. He said the stormwater issue is on the agenda; and wants to know if these fees are also abated or if they will be assessed. Mr. Deardoff said these fees are not abated.

Darren Barnes of BOLD, LLC, spoke. Mr. Barnes said they will be building a 50,000 square foot facility on Alcoa Road; and will add 10-20 new jobs. He said 100% of the revenue comes from outside of the State of Kansas.

Greg Dovel asked about the number of people to be employed; and the average wage of those employees. Mr. Barnes said it is hard to tell at this point, but the average wage will be between \$11.00 and \$15.00 an hour. Mr. Dovel then asked council about the tax abatement; and whether this means they will pay no taxes for 10 years. Mr. Deardoff said they will make payments per the schedule; and over 10 years they will pay an estimated \$192,000 in taxes with an estimated \$230,000 being abated. Discussion ensued.

Sheila Martin, owner of the Top Hat, said she doesn't know what BOLD, LLC does. Mr. Barnes said this is a new project they are working on; and involves working with manufacturers on overstock products. Ms. Martin asked how much they will collect in sales tax. Mr. Barnes responded by saying they don't sell the products, but they warehouse and ship the products. Ms. Martin said she was just wondering since they were getting a tax break but not collecting any sales tax.

Jason Ball with the Chamber of Commerce, spoke. He said they took an empty building; and with their hard work and good business, the building was filled. Mr. Ball said as time went on they needed to lease space; and now they are adding another facility. He said this is growing employment; and the Chamber had the opportunity to do something that people in the community have been saying they need to do which is to help existing employers grow. Mr. Ball said the City can expect more growth from this company; and it is a win for the community.

Additional discussion ensued regarding the tax abatement, sales tax and the cost benefit analysis.

Mr. Dovel said he now understands the issue; and said we need to do more of this as it is the only thing that will make the community grow. He then asked if there was an economic development committee. Discussion ensued.

Motion by Councilmember Soldner, second by Councilmember Piros de Carvalho, to close the public hearing. The motion passed unanimously.

Motion by Councilmember Piros de Carvalho, second by Councilmember Dechant, approve Ordinance 2016 - 21 exempting certain property in the City of Hutchinson, Kansas from ad valorem taxation for economic development purposes and the proposed Payment in-Lieu-of-Taxes (PILOT) payment schedule; and authorize the Mayor to sign. The motion passed unanimously.

Motion by Councilmember Dechant, second by Councilmember Soldner, to approve the Memorandum of Understanding between the City of Hutchinson, Kansas and BOLD, LLC; and authorize the Mayor to sign. The motion passed unanimously.

b. Public hearing on Health Care Facilities Bonds.

Motion by Councilmember Piros de Carvalho, second by Councilmember Dechant, to open the public hearing. The motion passed unanimously.

Frank Edwards, Director of Finance, spoke. Discussion ensued.

Motion by Councilmember Soldner, second by Councilmember Piros de Carvalho, to close the public hearing. The motion passed unanimously.

8. Ordinances and Resolutions

a. Consider Ordinance authorizing General Obligation Bonds. Frank Edwards, Director of Finance, spoke.

Motion by Councilmember Piros de Carvalho, second by Councilmember Dechant, to approve Ordinance 2016 - 22 authorizing the issuance and delivery of \$2,165,000.00 principal amount of General Obligation Bonds, Series 2016-C, of the City of Hutchinson, Kansas, and providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on the bonds as they become due; and authorize the Mayor to sign. The motion passed unanimously.

b. Consider Resolution authorizing General Obligation Bonds. Frank Edwards, Director of Finance, spoke.

Motion by Councilmember Dechant, second by Councilmember Piros de Carvalho, to approve Resolution 2016 R 32 prescribing the form and details of and authorizing the delivery of \$2,165,000.00 principal amount of General Obligation Bonds, Series 2016-C, of the City of Hutchinson, Kansas, previously authorized by an Ordinance of the City; and authorize the Mayor to sign. The motion passed unanimously.

9. New Business

a. Consider Council Chamber Art Gallery Exhibit. Meryl Dye, Assistant City Manager, spoke. Discussion ensued.

Motion by Councilmember Soldner, second by Councilmember Piros de Carvalho, to approve the Design Council's recommendation to implement a Council Chamber Art Gallery program. The motion passed unanimously.

b. Consider stormwater fee review process. The Mayor reminded those in attendance this is only to go over the review and appeal process, not to discuss the rate structure.

Bruce Colle, Director of Engineering, spoke. Mr. Colle reviewed the appeal process as set out in the ordinance. He said to be good stewards, the appeal process is very seldom used. Mr. Colle said property owners can come in and meet with the Engineering Department. Pervious and impervious areas of the property are identified; and at the end of the meeting a site visit can be scheduled. An evaluation is then done; and if adjustments are justified, a new fee schedule is calculated. Discussion ensued regarding adjustments made, etc. Mayor Daveline said after he and Councilmember Soldner visited the Manche property on East 11<sup>th</sup> and the appeals process was completed, the cost went from \$233.80 to \$109.00 per month. He said the process works. Councilmember Soldner said it is very clear that Ms. Silsbee is willing to work with people. Additional discussion ensued.

Greg Dovel said he went to the Engineering Department beginning in June; and an appeal process was not mentioned to him until he was turned down three or four times. Mr. Dovel said he visited with Ms. Silsbee who looked at the property, but was then told there was nothing she could do for him. He said he abided by the rules, but it doesn't work. Mr. Dovel said the City is making everyone concrete or asphalt their parking lots making the property impervious. He said the City is forcing businesses to do this; and their pocketbooks can't keep giving. Additional discussion ensued.

Sheila Martin, owner of the Top Hat said she knows there is a right to appeal, but everyone will be told no. She said businesses are already paying twice the amount for water; and said the big guys get the breaks where the little guys don't.

Dean Sorenson, owner of D&D Towing, said all of the councilmembers are only paying \$4.50 a month for the stormwater utility fee because they don't own businesses. He asked how they would like to pay a couple of hundred dollars a month. He said something has to change as he is barely making it as it is. The Mayor asked Mr. Sorenson if he went through the appeal process. Mr. Sorenson said he did, but he's not satisfied. He asked the council to go back to the table and re-evaluate the fees. Discussion ensued.

Mayor Daveline said when he and Councilmember Soldner visited the Manche property the perk test was discussed. Bruce Colle, Director of Engineering, explained the infiltration test and the perk test. Greg Dovel disagreed with the City Engineer regarding these tests, saying both tests determine how fast water soaks into the soil. Discussion ensued.

10. Report of City Officials

a. Council

- Councilmember Soldner had no comments.
- Councilmember Dechant had no comment.
- Councilmember Piro de Carvalho encouraged everyone to support the Rod Run; and thanked Jim Gruver for his work.
- Mayor Daveline had no comments.

b. City Manager

Mr. Deardoff said he sent a report out on Friday, September 16, giving councilmembers an update on the Hutchinson Mall and the Atrium Hotel. He said the Dillard's space has four tenants; and the last two, T J Maxx and Harbor Freight will be open in the 4<sup>th</sup> quarter. Mr. Deardoff said the Atrium developer will attend a meeting in October to give them an update.

11. Executive Session

a. Motion by Councilmember Dechant, second by Councilmember Soldner, to recess into executive session pursuant to the employer-employee negotiations exception, K.S.A. 75-4319(b)(3) in order to discuss pending issues

related to the 2017 contract negotiations with the City's bargaining units; the open meeting to resume in the City Council chamber at 11:30 o'clock a.m. The motion passed unanimously.

12. Adjournment

Motion by Councilmember Soldner, second by Councilmember Dechant, to adjourn. The motion passed unanimously.