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CITY COMMISSION MINUTES

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7:00p.m.

The regular meeting of the Junction City City Commission was held on Tuesday, August 16, 2011 with Mayor Pat Landes presiding.

The following members of the Commission were present: Cecil Aska, Scott Johnson, Pat Landes, Jim Sands, and Jack Taylor. Staff present was: City Manager Gerry Vernon, City Attorney Catherine Logan, and City Clerk Tyler Ficken.

PUBLIC COMMENT

Ben Kitchens of the Economic Development Commission provided a recommendation for a zero mill increase. Mr. Kitchens stated that EDC board member Hicks opposed this recommendation. Commissioner Johnson stated that the EDC held a discussion about what is needed to attract people to the area, and bumping against the proposed high property tax hurts. Commissioner Taylor asked what was Mr. Hicks' opposition was based on. Mr. Kitchens stated Mr. Hicks felt the City had cut a tremendous amount already.

Mr. Kitchens addressed the Commission as a taxpayer to say thanks for how far the City has come; though the problem is still there, and 33 mills have been moved to the future. Mr. Kitchens stated that a zero mill increase is very important.

Ernie Honnis stated that he is a proud member of Tea Party; he stated that he is not a racist or hostage taker. He stated that he is part of conservative grassroots that is fighting for prosperity. Mr. Honnis stated that people want government to live within its means. Mr. Honnis stated that TEA stands for taxed enough already. Mr. Honnis stated that the calling of his group is "mount up and ride toward the sound of the guns". Mr. Honnis asked the Commission not take more dollars out of pay checks, and approve a zero mill increase budget.

William Fox of Wheatland Hills stated that he chose to live in the Junction City - Ft. Riley for the low cost of living, and things have started to change. Mr. Fox stated that there were people who warned about going into debt. Mr. Fox stated that the people are being asked to bail out those who made mistakes. Mr. Fox stated that there are too many people with tax exemptions. Mr. Fox stated that the citizens need police and fire protection, water, sewer, and roads; they do not need the airport, swimming pool, and Opera House. Basic needs should be met first. Mr. Fox stated that the sales tax was legislative black mail; he stated that he will be doing his shopping in Manhattan. Commissioner Johnson stated that he felt the community was not involved in the past. Mr. Fox stated that he saw a family at a grocery store pay for their groceries with food stamps; they purchased cigarettes, and then drove away in a Cadillac Escalade.

Mary Flemming of 1112 N Washington asked that if Sell Ave. is an alley, then why she is paying property taxes. Mrs. Flemming stated that the road needs to be fixed, the alley is a problem, and the manhole is exposed. Finance Director Beatty stated that rock goes in the alley, and an address was for postage purposes.

Steve Messek of 114 E. Elm St. stated that the street by his home has two alleys; East Pine & East Elm. It cannot be fixed the way that it has in the past, and it needs to be addressed by Public Works.

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Mike Douchant a Verizon subcontractor stated that he takes pride in coverage and must be selective in cellular sites. Mr. Douchant provided map of existing cell sites for the City. Mr. Douchant stated that what is already there is up to standard. Mr. Douchant stated that this project does not infringe on cemetery land, and trees will obscure the view of the tower from the road. Mr. Douchant provided a picture of what the tower would look like; he stated that the look of the pole can be modified; it can also have flush pack, or a canister inside the pole.

Deb Johnston of 1320 McFarland stated that Junction City residents have expectations of food, home, and the ability to stay in their home. Mrs. Johnston stated that the City needs to create a positive business environment. Mrs. Johnston stated that the Commission needs to do what they were elected to do. Mrs. Johnston thanked the City Manager and CFO for their work, but there is more to do.

Chris Booth of the Junction City Fire Department stated that staff wages have already been cut 6% because cost of living increases have not occurred for three years.

CONSENT AGENDA

Consideration of Appropriation Ordinance A-16 2011 dated July 28, 2011 through August 10, 2011 in the amount of \$2,759,577.47. Commissioner Aska moved, seconded by Commissioner Sands to approve the Consent Agenda as amended. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

Consideration of the August 2, 2011 City Commission Meeting Minutes; August 4, 2011 Special City Commission Minutes. Commissioner Aska moved, seconded by Commissioner Sands to approve the Consent Agenda as amended. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

Consideration and approval of Payroll #13, #14, and #15 for the Month of July 2011. Commissioner Aska moved, seconded by Commissioner Sands to approve the Consent Agenda as amended. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

Consideration of Conoco Cereal Malt Beverage License. Commissioner Aska moved, seconded by Commissioner Sands to approve the Consent Agenda as amended. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

Consideration to allow improvements to the Animal Shelter. Commissioner Aska moved, seconded by Commissioner Sands to approve the Consent Agenda as amended. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

PUBLIC HEARING:

A Hearing to receive input from the public on the 2012 Junction City Budget. Mark Sanders stated that the Commission gets hung up on the mill levy, but the total dollars spent needs to be considered. Mr. Sanders stated that property taxes went up although the mill levy stayed the same. Mr. Sanders stated that revenues have been increased and continue to increase. Mr.

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Sanders stated that the budgeted revenue projections are conservative; there is a significant understatement of revenue. Mr. Sanders stated that the Veolia contract has not been bid out properly in the past; the change in public works needs to be studied to understand the real costs. Mayor Landes stated that the City has hired an Assistant City Manager to complete the transition process. Mr. Sanders stated that the contract is not enforceable. Mr. Sanders stated that the City should sell the sanitation service because government does not need to be involved in this business. Mr. Sanders stated that in the past, the price of \$800,000 was offered. Mr. Sanders stated that some funds could be moved from the general fund to enterprise funds for easier tracking. Mr. Sanders stated that a dialogue needs to begin on why people are not paying their special assessment and property taxes; there were five pages of delinquent taxes in the newspaper. Mr. Sanders stated that he feels there is apprehension to keep the website current with budget reports. Citizens should not have to ask for financial reports; revenue and expense reports should be posted each month. Commissioner Johnson stated that he agrees with the enterprise funds change. Commissioner Johnson thanked Mr. Sanders for the valuable information. Commissioner Johnson stated that there is a 10 year back log of lots resulting from lot flippers who ran up specials. Commissioner Taylor stated that the Commission decided not to sell the sanitation service to Waste Management because the people wanted a choice in sanitation service. Mayor Landes asked Finance Director Beatty to provide information on moving the golf and ambulance funds to enterprise funds. Finance Director Beatty stated that the ambulance service and golf course are not self supporting; if they were enterprise funds, it would result in additional budget violations. Commissioner Johnson stated that the community would like to know when the City is providing in money support to these items.

John Stewart, a 21 year resident of Junction City stated that there is a hole for Rolling Meadows golf course in the budget. Mr. Sanders suggested that the City not spend money on a survey of the community. Mr. Sanders stated that he supports putting the Health Department back with the County; the City does not need to spend money on MAC. Mr Sanders stated that he was pleased to see Republicans and Tea Party at the meeting.

Gerald Gerloff thanked Mr. Sanders for putting the Veolia contract into words. Mr. Gerloff stated that the City Manager said he worked hard to get zero mill increase; and then asked for more money at the next budget meeting. Mr. Gerloff stated that there is a million dollar slush fund in the General Fund. Mr. Gerloff asked how long it would be before the City asks for money again.

Commissioner Johnson stated that hopefully the economy will persist; low taxes will bring people in. Commissioner Aska stated that there are obstacles to overcome, and the Commission needs to have the best information possible. Commissioner Aska also stated that the Commission is not looking to go and spend a lot of money. Commissioner Taylor stated that he relied upon professionals in the past; items were spun to benefit certain people; it is important to trust but verify.

Commissioner Taylor stated that a person had e-mailed him upset with video and audio quality. Commissioner Taylor stated that it is frustrating for people who cannot make it to the meeting. Commissioner Johnson stated that people need to stop sitting on the sofa, and attend a meeting in person.

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Mayor Landes stated that he has a lot of faith in the City staff; the team that City Manager Vernon has assembled is good. Mayor Landes stated that the former Commission had to make tough decisions; the last Gulf War was only 3 months long. Mayor Landes stated that he challenges anyone to run for the City Commission; he has lost a lot of sleep in the past months. Mayor Landes stated that he hates asking for more money. Mayor Landes stated that millions of dollars were spent and it did not work to the degree it should have; though, there is a list of projects, and you can see where the money was spent, and now it needs to be paid for. Mayor Landes stated that this Commission is next in line to pay for the bills, and the City needs to stick with the financial recovery plan. Commissioner Johnson stated that this process has pitted City employees vs. the community, and that is not how it should be. Commissioner Johnson stated that there is a careful balancing act between tax increases and cuts; there were bad deals in the past that put the Commission in this position, and the City should not have assumed that all soldiers would live in Junction City.

NEW BUSINESS

Consideration to approve Resolution R-2645 & Ordinance S-3097 on first reading to initiate eminent domain proceedings. City Attorney Logan Presenting. Commissioner Johnson stated that the property in question belongs to his brother. Commissioner Taylor moved, seconded by Commissioner Aska to approve R-2645. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried. Commissioner Taylor moved, seconded by Commissioner Aska to approve Ordinance S-3097 on first reading. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

Consideration of the request of Trinidad and Margaret Maldonado for approval of S-3098 Special Use Permit to allow the use of a portion of the commercial building at 2210 Prospect Circle for residential purposes. Planning & Zoning Director Yearout Presenting. Commissioner Taylor moved, seconded by Commissioner Johnson to approve S-3098 on first reading. Ayes: Aska, Johnson, Landes, Taylor. Nays: none. Abstention: Sands. Motion carried.

Consideration of Vacation Order for Case No. VC-07-01-11, a petition to vacate the platted building setback line on property located 2822 K-18 Highway. Planning & Zoning Director Yearout Presenting. Commissioner Johnson moved, seconded by Commissioner Aska to approve Vacation Order for Case No. VC-07-01-11, a petition to vacate the platted building setback line on property located 2822 K-18 Highway. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

Consideration of request for a special use permit to install a communications tower in the southeast corner of Highland Cemetery. Planning & Zoning Director Yearout Presenting. Planning & Zoning Director Yearout stated that the Planning & Zoning Commission has recommended denial. Planning & Zoning Director Yearout stated that the water tower can meet the service need, and the tower can be made to work. Planning & Zoning Director Yearout stated that the tower presented violates the setback requirement. Planning & Zoning Director Yearout stated that there is a verbal objection from Lifestar on the location of the proposed the pole, because the pole will be in the flight path of their helicopter. Planning & Zoning Director Yearout stated that the water tower is already known and does not present an additional obstacle. Planning & Zoning Director Yearout stated that the FAA does not require a light for the proposed tower but the Planning and Zoning Commission has requested a light in the event that

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the Commission approved the tower. Planning & Zoning Director Yearout stated that in past, the community filed a protest petition in objection to the tower. Commissioner Johnson stated that he felt the community would be ok with the tower if the rent was higher. Mr. Douchant stated that there would only be nominal improvement if instrumentation were added to the water tower. Mr. Douchant stated that the issue would need to be addressed again in the future. Mr. Douchant stated that he could provide additional maps, and engineer statements could be provided. Mr. Douchant stated he was not provided information from Lifestar prior to the meeting. Commissioner Johnson asked what additional space the tower would cover. Mr. Douchant stated that the tower would cover gaps, and a substantial amount of residential. Commissioner Johnson asked how much rent would be for the tower. Mr. Douchant stated that the offer is the highest in the area. Mayor Landes stated that the Lifestar issue is a concern for him. Commissioner Sands asked why the tower could not be placed in the South Park area. Commissioner Johnson asked if there are people in Junction City who do not currently receive service; Commissioner Johnson stated that the price of the lease is an issue for him, and he agrees that there needs to be a light on the tower. Commissioner Johnson stated that he is also concerned about the impact on property values. Mr. Douchant stated that he can provide studies showing no impact on property values. Mayor Landes asked why this tower design is 30ft. taller than the prior request. Mr. Douchant stated the height would be needed for flush mounted or canister tower designs. Commissioner Johnson asked if the tower would require guide wires. Mr. Douchant stated that the tower would not require guide wires. Commissioner Johnson stated that Verizon is not the enemy on this issue; they are trying to provide a service to the community. Commissioner Johnson moved, seconded by Commissioner Aska to table this item until the Commission meeting on September 6, 2011. Ayes: Aska, Johnson, Landes. Nays: Sands. Abstention: Taylor. Motion carried.

Commissioner Taylor moved, seconded by Commissioner Sands to adjourn for a 5 minute break. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

Consideration and approval of the 2012 City Budget. Finance Director Beatty Presenting. Finance Director Beatty stated that 6.495 million has been budgeted for sales tax; Forecasting was used to achieve the number. Finance Director Beatty stated that she believes it is best to be conservative when anticipating revenues. Finance Director Beatty stated that there was concern about set budget for military affairs, which has been added to the Administration budget; it is listed under other services. Commissioner Aska stated that City staff could work to make the budget easier for the public to understand. Commissioner Johnson asked if there would no longer be two managers at the golf course. City Manger Vernon stated that the Golf Course lost two employees; one moved to another job, and another has retired. Commissioner Johnson stated that he believes that there can be additional cost savings at the golf course. Mayor Landes stated that the golf course could work to develop an improved corporate membership plan; golfers need to feel part ownership of the course. Mayor Landes stated that the course needs to be supported, and operations need to be reviewed. Commissioner Johnson stated that he is trying to find another mill or two to cut. Commissioner Johnson stated that he spoke with employers at the airport, and they would like to expand; expenditures at the golf course and airport are not mandatory. Commissioner Taylor stated that there was a golf advisory group in the past, and that group has been shut down. Commissioner Aska stated that infrastructure is going to become a bigger and bigger problem, there needs to be some investment; funds for an emergency are needed. Commissioner Sands stated that he is comfortable with the mill rate that was published. Commissioner Johnson stated that the City borrowed money to make the mill tolerable for this year. Commissioner Aska stated that the Commission has not set positive expectations for the department heads; it is not going to be business as usual moving forward. Commissioner Johnson stated that there can be additional

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cuts; City staff can volunteer to take days off. Commissioner Sands stated that he supports keeping funds in the budget for the streets. Commissioner Taylor stated that he supports funding for streets and public safety, but he believes cuts can be made at the Opera House, Spin City, and the Golf Course. Commissioner Taylor stated grass growing in the streets West of Highway 77 is ridiculous. Commissioner Johnson stated that additional cuts can be made; the valuation of the City property will go down when the property taxes go up; this is about perception. Mayor Landes stated that the City needs to take the streets back, and consider selling the trash service vs. making the service profitable for the City. Mayor Landes stated that the Commission has compromised on this budget given the cuts that occurred at the last meeting. Commissioner Johnson stated that he supports the sale of the sanitation service. Commissioner Johnson stated that he supports reductions to the Opera House to fund the Health Department. Finance Director Beatty stated that the Cemetery budget was high; the cost per burial was recorded and provided to the Commission. Commissioner Johnson asked if the Cemetery has an endowment. Finance Director Beatty stated that it likely does. Commissioner Aska asked where budget cash reserve is. Finance Director Beatty stated that the cash reserve is currently budgeted at \$585,000. Commissioner Johnson stated that if the vacant properties west of Highway 77 are not purchased it could be a big problem for Junction City in the future. Commissioner Johnson stated that he will be determined to hold peoples feet to the fire in the future. Commissioner Taylor stated that he will vote against this budget because of the mill increase; the EDC said not to increase the mill levy, and he takes it seriously. Commissioner Taylor stated that he appreciates where Commission is coming from for the increase, and he continues to have respect for the Commission. Commissioner Taylor stated that he is standing up for the people he heard from in the community. Finance Director Beatty stated that the City staff will be very tight with expenditures. Commissioner Aska moved, seconded by Commissioner Sands to approve the proposed 2012 budget at 50.350 mills. Ayes: Aska, Johnson, Landes, Sands. Nays: Taylor. Motion carried.

UNFINISHED BUSINESS

Consideration of Ordinance S-3096 attesting to an increase in tax revenues for budget year 2012 (Final Reading). Finance Director Beatty Presenting. Commissioner Aska moved, seconded my Commissioner Landes to approve Ordinance S-3096 on final reading. Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: none. Motion carried.

COMMISSIONER COMMENTS

Commissioner Sands stated that there is a lot of plastic at the recycling center; if people stomp on the plastic, it will create a lot more room. Commissioner Sands stated that the MAC board did not meet. Commissioner Sands stated that there are a lot of people out of work, and the shelves at the Open Door are getting low so please donate.

Commissioner Johnson stated that he is glad that the budget process is over.

Commissioner Aska stated that the transition committee is working on final changes. Commissioner Aska thanked Commissioner Johnson for the spirited discussion on the budget.

Commissioner Taylor stated that he appreciates Commissioner Aska's statement; there is respect back and forth, and the debate is lively. Commissioner Taylor stated that there is a shortage of assisted living residences, and the City needs to pursue new opportunities. Commissioner Taylor thanked the public for their e-mails, and he is sorry that he is unable to respond to all of them.

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Mayor Landes reminded people that school is now in session and to drive safe. Mayor Landes welcomed Gregg to the team as Assistant City Manager. Mayor Landes thanked the Commission for their work on the budget; members of the Commission elected in April have only been on the commission for a few months, and he believes the Commission is making the community better.

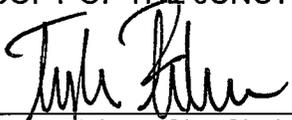
STAFF COMMENTS

City Manager Vernon stated that this budget was a high hurdle; he apologized for the lost sleep. City Manager Vernon stated that a goal setting session would be valuable moving forward. Commissioner Aska asked for it to wait a couple weeks. City Manager Vernon stated that he intends to provide the Commission with options regarding solid waste, and address the option of managed competition.

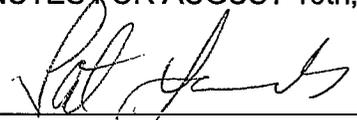
ADJOURNMENT

Commissioner Aska moved, seconded by Commissioner Sands to adjourn at 11:05 PM Ayes: Aska, Johnson, Landes, Sands, Taylor. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 6TH DAY OF SEPTEMBER 2011 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR AUGUST 16th, 2011.



Tyler Ficken, City Clerk



Pat Landes, Mayor