

CITY COMMISSION MINUTES

November 1, 2011

7:00p.m.

The regular meeting of the Junction City City Commission was held on Tuesday, November 1, 2011 with Mayor Pat Landes presiding.

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

CONSENT AGENDA

Consideration of Appropriation Ordinance A-21 2011 dated October 13, 2011 through October 26, 2011 in the amount of \$1,527,499.17. Commissioner Aska moved, seconded by Commissioner Johnson to approve the Consent Agenda as presented. Ayes: Aska, Johnson, Landes, Sands. Motion carried.

Consideration of the October 18, 2011 City Commission Meeting Minutes. Commissioner Aska moved, seconded by Commissioner Johnson to approve the Consent Agenda as presented. Ayes: Aska, Johnson, Landes, Sands. Motion carried.

Consideration to approve Pay Estimate #1 in the amount of \$97,135.80 to J&K Contracting for Storm Sewer Improvements. Commissioner Aska moved, seconded by Commissioner Johnson to approve the Consent Agenda as presented. Ayes: Aska, Johnson, Landes, Sands. Motion carried.

Consideration to approve R-2652 allowing the City Manager to sign Permanent Signature Cards & Corporate Authorization documents as required by Intrust Bank N.A. Commissioner Aska moved, seconded by Commissioner Johnson to approve the Consent Agenda as presented. Ayes: Aska, Johnson, Landes, Sands. Motion carried.

Consideration to approve ambulance contractual obligation adjustments and bad debt adjustment for August 2011 & September 2011. Commissioner Aska moved, seconded by Commissioner Johnson to approve the Consent Agenda as presented. Ayes: Aska, Johnson, Landes, Sands. Motion carried.

NEW BUSINESS

Consideration of EDC recommendation to deny request for property tax abatement presented by Nash Finch. EDC Chairman Kitchens presenting. EDC Chairman Kitchens stated that the EDC denied the Nash Finch Proposal by a vote of 5-1-1. Commissioner Aska asked why the proposal was denied. Chairman Kitchens stated that the board felt the proposal was too generous to Nash Finch. Commissioner Johnson stated that he would like to see Nash Finch receive tax incentives with an IRB and plant expansion. Mayor Landes stated that the City has already provided Nash Finch with a great deal. Chairman Kitchens stated that the board felt the proposal was way off the mark. Commissioner Johnson stated that everyone with abatements will ask for more if this deal is approved. City Attorney Logan stated that Nash Finch could

submit another proposal, but it would need to occur before the end of the year. Commissioner Sands stated this deal is like haggling for a car; he has toured the facility, and would like Nash Finch to stay. Ed Bruno of Nash Finch stated that the GSC Company that was purchased by Nash Finch in 2009, and was a failed business. Mr. Bruno stated that Nash Finch supports the community by donating to Sundown Salute. Mr. Bruno stated that most communities do not offer loans and abatements with different timelines. Commissioner Johnson stated that the people who work at Nash Finch need to live in Junction City. Commissioner Aska stated that he would like City staff to negotiate with Nash Finch on a deal. City Attorney Logan stated that the City may want to consider a staggered abatement where the abatement percentages changes as time lapses. Commissioner Johnson stated that he would listen to a new proposal at the next meeting. City Attorney Logan stated that a number of agreements will need to be put together to make an agreement, including: a payment in lieu of taxes agreement, claw back payments, and changes to bond documents. Commissioner Johnson stated that he would like City staff to attend the next EDC meeting. Commissioner Johnson moved, seconded by Commissioner Aska to deny the Nash Finch Proposal. Ayes: Aska, Johnson, Landes, Sands. Nays: none. Motion carried.

Consideration of proposed changes to the existing Neighborhood Revitalization Program inter-local agreement. EDC Chairman Kitchens presenting. Mayor Landes asked why there is an increased abatement for multi-family developments. Chairman Kitchens stated that the plan includes neighborhoods that would be revitalized with the development of new multi-family units. Commissioner Johnson stated that a \$1 million development would pay \$40,000 in property taxes annually, and multi-family units result in increased social costs to a community. Chairman Kitchens stated that this is a business risk, but it could help the City over the hump. Commissioner Sands stated that not all soldiers can afford to purchase homes, and they prefer to rent; Manhattan is building a lot of rental properties. Mayor Landes stated that if businesses participating in the NRP program miss payment on their taxes they are removed from the program. Commissioner Sands stated that many military families own homes in other communities that they have been unable to sell due to the housing market. Commissioner Sands moved, seconded by Commissioner Aska to approve R-2653. Ayes: Aska, Landes, Sands. Nays: Johnson. Nays: none. Motion carried.

Consideration of R-2651 supporting the approval of Kansas House legislation to support extending the debt limitation maximum for Junction City. Finance Director Beatty presenting. Commissioner Johnson stated that he would be voting for this item because there is no alternative. Finance Director Beatty stated that the City staff would work to bring understanding to this issue. Commissioner Aska moved, seconded by Commissioner Sands to approve R-2651. Ayes: Aska, Johnson, Landes, Sands. Nays: none. Motion carried.

Consideration to obligate the unencumbered cash balance within the City-County Economic Development fund for start-up cash for consolidation. Finance Director Beatty presenting. Finance Director Beatty stated that the funds would be used to fund the consolidation until the new budget. Commissioner Sands moved, seconded by Commissioner Aska to obligate the funds as requested. Ayes: Aska, Johnson, Landes, Sands. Nays: none. Motion carried.

Consideration of Ordinance S-3100 rezoning property on East Side of Spring Valley Road from Agricultural to Suburban Residential. Planning & Zoning Administrator Yearout presenting. (First Reading). Commissioner Aska asked if the vote was unanimous. Planning and Zoning Director Yearout stated that citizens have asked questions, but that is all. Commissioner Johnson moved, seconded by commissioner Sands to approve S-3100 on first reading. Ayes: Aska, Johnson, Landes, Sands. Nays: none. Motion carried.

COMMISSION COMMENTS

Commissioner Sands stated that Veolia would be accepting leaves on November 5th, 12th, and 19th. Commissioner Sands stated that fall cleanup will occur on November 4th, so get out and help.

Commissioner Johnson stated that he hopes the public will speak out about tax abatements; there are a lot of people not paying taxes. Commissioner Johnson stated that if something is not done, then only home owners will be paying taxes.

Commissioner Aska thanked Gerry for conducting the appreciation ceremony, and thanked City Manger Vernon for his work.

Mayor Landes stated that tickets are available at the Opera House for Buddy Holly and Beatles groups, and the tickets are a good price. Mayor Landes thanked Gerry for his leadership.

STAFF COMMENTS

City Manger Vernon stated that there will be a coffee and conversation meeting at Great Life Golf & Fitness on November 16th at 3:30 PM.

City Attorney Logan stated that the City has not yet received approval from the Attorney General's office on the consolidation documents.

Assistant City Manager McCaffery stated that the leaf collection program will continue in a limited fashion, and street sweeping will continue.

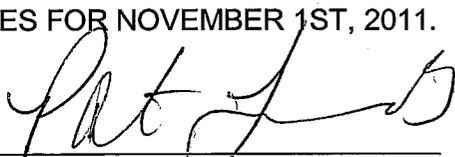
ADJOURNMENT

Commissioner Sands moved, seconded by Commissioner Aska to adjourn at 8:30 PM Ayes: Aska, Johnson, Landes, Sands. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 15th DAY OF NOVEMBER 2011 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR NOVEMBER 1ST, 2011.



Tyler Ficken, City Clerk



Pat Landes, Mayor