

THE REGULAR MEETING OF THE LIBERAL CITY COMMISSION

October 9, 2018

The regular meeting of the Liberal City Commission was held at 5:30 p.m. in the Commission Chambers located at 325 North Washington on Tuesday, October 9, 2018.

Commissioners Present: Mayor Connie Seigrist, Vice Mayor Taylor Harden, Jack Carlile, Tony Martinez and Ron Warren.

City Staff Present: City Manager Cal Burke, Finance Director Chris Ford, City Clerk Alicia Hidalgo, Human Resources Director Sheena Schmutz, Building Director Kevin Kirk, Economic Development Director Jeff Parsons, Grant Director Karen LaFreniere, IT Director Tim Lunceford, Police Chief Dennis Mulanax, and City Attorney Lynn Koehn.

Mayor Seigrist called the meeting to order, and City Clerk Hidalgo read the roll call and declared a quorum present. The Pledge of Allegiance was recited, and Presephoni Fuller gave the invocation.

1. Awards/Proclamations/Presentations. No items were presented.

2. Approval of Agenda.

Mayor Seigrist stated Resolution No. 2295 was corrected to include the legal descriptions. *Commissioner Carlile moved to approve the amended agenda with the corrected Resolution No. 2295 with Commissioner Martinez seconding the motion. The motion carried unanimously.*

3. Approval of Minutes.

City Clerk Hidalgo noted that page 12 of the September 11, 2018 minutes was corrected to remove "Interim" from the City Manager's Report.

Commissioner Carlile moved to approve the corrected minutes of the September 11, 2018 regular meeting. The motion was seconded by Commissioner Warren and carried unanimously. Commissioner Carlile moved to approve the minutes of the September 25, 2018 regular meeting, as presented. The motion was seconded by Commissioner Martinez and carried unanimously.

4. Items from Citizens.

Mayor Seigrist read the rules of the Commission and requested members of the audience approach the podium to address the Commission.

Frank Friesen is here in reference to the rain and ponds. He thanked the City for purchasing the property to see if they can get deeper and better retention ponds. He would like to know if the Commissioners have driven by Hwy 54 to see where the water was running. He thinks it may be necessary to purchase land on the east side of 54 so it would make the water run there instead of to him. He thanked the City for digging Frog Pond deeper. It needed to be done years ago. You guys are doing it and he is proud of you. He has a friend that has a dredge in case help is needed to dredge the new pond. He appreciates the Commission. He appreciates the information and updates.

- City Manager Burke stated the closing on the new property should be in the next 30 days and hopes to start working on it by the first of the year.

The Commission thanked Mr. Friesen.

Rita Isaacs. She has two things. She stated there are many blind spots in Liberal and gave examples of 15th and Pershing and Pine; 5th and Western, up and down Calhoun, Grant and Calvert. She stated the trees are not maintained. She did pull out in front of a police car but only got a warning. The areas need to be taken care of. A lot is done for beautification but it's still dangerous. She also stated she was here a couple of months ago about unmarked streets and not one has been addressed. Pine is not marked. It is dangerous with no markings on the road. When this came up last time, Taylor said he would get with her. On the highway, the Chief took her number and said KDOT would get back with her.

Police Chief Mulanax stated he did give her message to KDOT.

City Manager Burke stated she is one of many so she may be down the list. They do return calls and emails.

Ms. Isaacs stated Tucker to 15th Street is dangerous. It looks beautiful but big stops signs are needed or the stop signs need flashing red lights. She wants progress or at least street markings.

Police Chief Mulanax will bring it up to the Safety Committee.

City Manager Burke stated Pine was just chipped sealed and you can't put new paint on chip seal.

5. Items from Groups.

Mayor Seigrist read the rules of the Commission and requested members of the audience approach the podium to address the Commission. No items were presented.

6. Consent Agenda:

a. Approval of Airport Leases:

1.	#	34.02	Gary Classen	\$ 633.60	1 year
2.	#	112.00	Bill Campbell	\$1,009.80	1 year
3.	#	122.02	L & D Oilfield Services	\$1,220.08	1 year
4.	#	183.01	Merit Energy Company	\$3,277.97	1 year

b. Acknowledge Receipt of Board Minutes:

1. Liberal Convention and Tourism Board, September, 20, 2018.

Mayor Seigrist inquired if the Commission wished to remove any items for further discussion.

Vice Mayor Harden moved to approve the consent agenda, as presented, with Commissioner Carlile seconding the motion. The motion carried unanimously.

7. Hay Rice & Associates, Chtd - 2018 Audit Contract.

- City Attorney Koehn stated he reviewed the contract and the only difference is it contains a slight increase in price. He would approve the content.

Commissioner Warren moved to take the Hay Rice & Associates, Chtd. 2018 Audit Contract off the table, with Vice Mayor Harden seconding the motion. The motion carried unanimously

- Finance Director Ford stated the fee does not include fees a single audit has to be done.

Commissioner Warren moved to approve the Hay Rice & Associates, Chtd. 2018 Audit Contract, as presented, with Vice Mayor Harden seconding the motion. The motion carried unanimously.

8. Property Tax Exemption:

a. Public Hearing.

Mayor Seigrist declared the public hearing open.

- All notices were filed.

- Economic Development Director Jeff Parsons is excited to bring the first portion of an incentive process for KBK Industries. He worked with KBK over the last five-six months to get to this point. He introduced Steven White, CEO of KBK Industries.

- Steven White stated he appreciates the Commission's time and consideration. He gave a PowerPoint presentation on KBK Industries. (The presentation is included in the minutes.)
- He reviewed and explained what the company does and their future plans.
- Discussion was held on when ADM will get their stuff out.
- Mr. White stated they have about 600 bushels left.
- Vice Mayor Harden stated this is exciting and he is glad they are expanding in the Liberal market. He appreciates the presentation and questioned if a tour would be available.
- Commissioner Carlile appreciates them picking Liberal.
- Mr. White stated a tour will be available and stated Liberal was the perfect spot. They could've went to Garden or Dodge but the support they received from the City attracted them to Liberal.
- Discussion was held regarding the property and having enough to expand.
- City Manager Burke thanked him and thanked Jeff Parsons for doing a good job at selling Liberal
- Commissioner Warren stated he's been by their facilities in Rush Center and noted how neat the facility looks. He looks forward to having them in Liberal.
- Mr. White stated they keep clean sites; that is the culture they keep. They have an exceptional group of people working for them.
- Director Parsons explained this is a two part process. The Resolution of Findings is first and then the second part will be an ordinance after ADM has vacated the building as it is only available to a single occupant. He read Resolution No. 2294 and stated KBK meets the requirements. When the ordinance is addressed is when the grant the tax abatement.
- Persephone Fuller questioned what the educational requirements are and the wages.
- Kevin Baalman, General Manager, stated the education needed varies. The equipment will be automated and they have a partnership with SCCC computer tech to help run equipment. They need welders, crane operators, painters and laborers. Some education is needed but they don't require a 4-year degree. The average wages are \$45,000 up to \$80,000. They plan to start with 25-30 full time employees and add 5-10 after the first of the year.
- The Cost Benefit Analysis is required for the Kansas Board of Appeals. It is very favorable. Mayor Seigrist declared the public hearing closed.

b. Resolution No. 2294 – Making Certain Findings of Fact as Required By K.S.A. 79-251 With Respect to a Property Tax Exemption to be Granted to KBK Industries, LLC.

Mayor Seigrist requested Commission consideration of Resolution No. 2294, entitled, "A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF LIBERAL, KANSAS MAKING CERTAIN FINDINGS OF FACT AS REQUIRED BY K.S.A. 79-251 WITH RESPECT TO A PROPERTY TAX EXEMPTION TO BE GRANTED TO KBK INDUSTRIES, LLC."

- Commissioner Warren questioned if a Special Meeting will be needed to pass the ordinance.
- The Commission is open to having a special Meeting if necessary.

Vice Mayor Harden moved to adopt Resolution No. 2294, as presented, with Commissioner Carlile seconding the motion. The motion carried unanimously.

9. Resolution No. 2295 – Establishing an Additional Rural Housing Incentive District.

Mayor Seigrist requested Commission consideration of Resolution No. 2295, entitled, "A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF LIBERAL, KANSAS DETERMINING ESTABLISHING AN ADDITIONAL RURAL HOUSING INCENTIVE DISTRICT WITHIN THE CITY."

- Grant Director Karen LaFreniere stated Chance Developments requested an additional district be added to the current Rural Housing Incentive Districts. The property is located at

Holly Ridge Fourth and Holly Ridge Fifth Addition to the City. To be added, the additional district has to be approved by Resolution, advertised in the newspaper and submitted to the Secretary of Commerce for approval. If the Secretary of Commerce approves it, a Development Plan will be submitted to the Commission for approval.

Commissioner Martinez moved to adopt Resolution No. 2295, as presented, with Vice Mayor Harden seconding the motion. The motion carried by a vote of 4 -0, with Commissioner Warren abstaining.

10. Sale of Residential Property.

- Grant Director LaFreniere stated several interested parties have inquired about the purchase of the seven lots owned by the City. In the past, bids were taken for the sale of lots and the sale was advertised in the newspaper with a set deadline. A draft of a potential newspaper ad is attached with an \$8,000 minimum bid. As instructed by the City Manager, the ad specifies that if an offer is accepted, the City will include a buyback option in the Purchase Contract stating that if development has not started on the property within six months, the City may repurchase the property from the Buyer at the Buyer's cost.

- Discussion was held on the notice, where the areas were located and City Attorney Koehn will review the purchase contract.

Vice Mayor Harden moved to approve the advertisement for sale of residential City-owned property, as presented, with Commissioner Martinez seconding the motion. The motion carried unanimously.

11. Click2Gov3 Software Purchase.

- Click2Gov3 is an online information system from Superion. The software will allow users to see utility billing and accounts receivable information online. The City will be able to explore online payment processors with the goal to start taking online payments in February 2019. The total is \$28,487 with funding to come from the Equipment Reserve Fund.

- Commissioner Carlile questioned if this is just for water and will the golf course and cemetery have access to it.

- IT Director Lunceford stated they are looking to consolidate a lot. They are working to get everyone under one umbrella and whether or not they can support the system at the golf course. Finance is looking at that and what options are available for exterior departments that don't have a method to use the financial system at City Hall. He is not sure if it addresses golf. The point of sale in the Building Department is on their own but he thinks the online payment may work. Court works with a payment processor. There are several hurdles they have been working through as this is a complex problem. This is the first step to move forward.

- Vice Mayor Harden questioned if they can defer on this item. He met with a vendor company out of Manhattan and he planned on bringing them up to show them our system if they can tie into it and if they offer competitive rates. Is Click2gov3 from Superion something we can defer?

- Finance Director Ford stated this software is specific to the software used at City Hall. The first phase is the payment process. This will allow users to get their UT accounts. This will allow them to explore the payment process. That is why the goal is February 2019.

Commissioner Carlile moved to purchase the Click2Gov3 Software in the amount of \$28,487.00, as presented, with Vice Mayor Harden seconding the motion. The motion carried unanimously.

12. First-Time Homebuyer Program.

- Building Director Kevin Kirk stated the First Time Homebuyer Program provides \$2,500 in down payment assistance to first time homebuyers. The yearly budget is \$120,000 and an additional \$40,000 was requested and approved in June. Staff requests an additional \$40,000 from the One Cent Sales Tax for the First Time Homebuyer Program to provide assistance to an additional 16 people.

Vice Mayor Harden moved to allocate \$40,000 from the Housing Portion of the Once Cent Sales Tax to the First Time Homebuyer Program with Commissioner Carlile seconding the motion. The motion carried unanimously.

13. Lilac Street.

- Gary Geist from Earles Engineering was asked to look at Lilac west of the lake. It is currently concrete. What they are suggesting is the problem areas be cut, pull up the pavement and replaced it with 8 inch concrete. The curb & gutter is in good shape. The map is in the packet and the bids also list the area.
- The drainage is not included in the bids. Residents will have access to their residences and access to the frontage road will be open. The completion date will be before January 2019. Penalties will be added if not completed in time.
- Abbott Construction was the low bidder at \$75,886.00. Leyson Construction's bid was \$89,736.00 and JAG did not bid.
- Commissioner Warren stated he looked over the bids and the numbers are the right price.
- Additional discussion was held on the rebar and if weather days will be added and setting penalties if the work is not done on time.

Commissioner Carlile moved to approve the bid from Abbott Construction to repair of Lilac Street between Tucker Road and Canna Lane in the amount of \$75,886 with funding to come from the Streets and Drainage portion of the One Cent Sales Tax, as presented, with Commissioner Warren seconding the motion. The motion carried unanimously.

14. SCCC Saints Tip-Off Dinner.

- SCCC Men's Basketball Coach Jason Sautter stated he met with Cal and Alicia about the event. They had a dinner last year and it was a huge success. He is trying to raise as much funds as possible for players. At his previous college, they had social, dinner and presented the team to the community at the start of the season. He brought the idea here. Last year, Bobby Knight was here and he was great. They were able to have private citizens donate use of their jets/planes and they donated the pilot, fuel, time, food, and hunts the next morning. Coach Knight went home with 40 pheasants. This year former Texas Tech coach James Dickey will be here and he is not asking for anything. It is a formal event and the City worked with them last year. He didn't hear any negative feedback and they raised funds. He is not asking for a dime now. The only issue now is they do not have someone over the museum and the City wants to document things. He doesn't blame them; so be it. The Contract is based on other rental facilities. Last year, they paid \$500 for everything. If you buy a table at the social, it is \$1,000; half a table is \$500. If you buy a full table you can visit with the Coach in the theater. The contract charges \$500 for the main part plus \$250 for the theater part along with a clean up deposit. The rental will be \$1,800 upfront.
- It was the total cost is \$1,850.
- Mr. Sautter stated the whole reason to have the dinner is to give full scholarships as SCCC doesn't have the funds to give full scholarships. Right now, it's just books and tuition. Other

schools give full scholarships. He is asking for any way to lower the fees. The money raised isn't going into his budget – it's going into a nonprofit at the college.

- Mayor Seigrist stated they will get the \$1,000 back if they clean it up so the rental is only \$850.
- Mr. Sautter stated \$850 pays for the full fees for one young man. That is still chipping away.
- Commissioner Warren questioned if all the funds go to their Foundation then go strictly to scholarships.
- Mr. Sautter stated the only way to give scholarship funds is through the Foundation. Everything is transparent. They pay 10% off the top for handling fees. They can invest it so they can make more money.
- City Manager Burke noted the City will send a bill to the Foundation for Museum Staffing as the City has to recoup costs for Staff time. Overtime is not part of published rentals so he suggested Mr. Sautter talk to Commission.
- Commissioner Carlile questioned if kids can't go to college if not for scholarship.
- Mr. Sautter stated yes that is the whole reason they raise funds and why he is here asking for leniency.
- Mayor Seigrist stated she hates to set precedence because if they do it for you then they have to do it for everyone.
- They have a traveling catering license holder and will have liquor at the social along with auction items. Great Western Dining and Patty Wilkens are helping them out. The event works perfect as a way for the community to get to know the players. SCCC men's basketball has never had a booster family program but because of last year's dinner, they now have them. It's a great event and people have been supportive.
- City Manager Burke noted this is the last event that it will be at the Air Museum. They are getting out of the Air Museum Rentals. People can use other facilities which they can get keys to and don't require Staff. City Staff has to be present at Museum events or it puts city at a real risk.
- Mr. Sautter stated they also had two officers and they were great. He is asking for any leniency. They understand the Air Museum will not be rented anymore.
- Finance Director Ford noted last year there were two officers that were called in for overtime along with Museum staff.
- Commissioner Carlile stated he is doing it for educational reasons.
- Vice Mayor Harden stated he will try to get them additional businesses to help.

Commissioner Carlile motioned to charge SCCC \$500 plus security fees and Staff fees to use the Air Museum for the Saints Tip-off Dinner, with Commissioner Martinez seconding the motion. The motion carried by a vote of 4-1 with Mayor Seigrist against.

15. Liberal/ Seward County Development Corporation Board Member – Voting Member.

- A Commissioner needs to be appointed as the City's voting member.
- Commissioner Warren moved to appoint Commissioner Jack Carlile as the City's Liberal/Seward County Development Corporation Voting Board Member, with Commissioner Martinez seconding the motion. The motion carried by a vote of 3-1 with Vice Mayor against and Commissioner Carlile abstaining.*

16. CITY MANAGER'S REPORT.

- City Manager Burke thanked Staff for keeping everything going and thanked everyone involved with economic development. KBK has been on the fringes but that's how economic

development works. It's exciting but if you make something public sooner than the company wants, they bail. It is a very confidential business. He thanked Jeff for doing an excellent job and for carrying this through.

17. ITEMS FROM COMMISSIONERS.

Mayor Seigrist thanked KBK for choosing Liberal. She also thanked Paul Young and Brad Beer for the work on the Chili Cook-off and Duck Race, Kelly Kirk and the Firefighters for providing the water for the ducks to float down the channel, the Chamber, and the United Way. There are ribbon cuttings coming up. Alchemy Inc. had one this morning and on Friday, there are two: Get the Funk Out and Kid Zone. On Saturday, October 13, the Rec has the Toto Trot fun run and the Pancake Foundation is having a paint party as a fundraiser at the Ag Building. She thanked City Staff and stated City Employees are truly the best.

Vice Mayor Harden took a trip to Topeka for the League of Kansas Municipalities Annual Conference. He enjoys the opportunity as a Commissioner and learning from other people. It was a very enlightening experience. They had excellent information and had great speakers at the conference. The portion with the multiple vendors that deal specifically with municipalities was great. Civic Engage company is out of Manhattan and deal with municipal websites. They provided a wealth of information and he is confident this is an excellent way to take our community into when it comes to interactivity. You can get any permit digitally downloaded; you'd be able to pay all your bills/fees online and bring the City into the 21st Century when it comes to our website. It ties into multiple departments in the City and has a mass notification system. He will get information to Staff and the Commission. He and Cal spoke to Sensus, who make water meters. They came out with new technology with new water meters that can accurately detail water into the thousandths. Right now, our meters only go the hundredths. They are more efficient and save consumers money on their water and save us money on replacing them. There were a lot of things like this that he hopes we can look at as a team and as a community. He had an excellent time talking to some of the Mayors and Vice Mayors of other communities. He spoke to the Mayor of Kechi and the Vice Mayor of Salina on ways to cross advertise, covering costs and things like that. He thanked the tax payers for allowing him to go and thanked staff that went to the conference. He always loves learning how to serve you better.

Commissioner Carlile thanked City Staff as they are all doing a good job. He joked that they should've had the duck race today so they wouldn't have had to have the Fire Department to push the water. He appreciate all Staff does. He thanked Kevin, Karen and stated he appreciates Jeff for staying to work with KBK.

Commissioner Warren is very excited about KBK Industries coming to Liberal; it's a wonderful thing. He thanked Staff for everything. He went to Topeka this weekend too and he would like to thank the Staff that went because it does get into their time when they go and participate. He thanked Taylor for going and for his enthusiasm. The networking is important and he did a good job of looking out for our community and he appreciates it. He has some things as the Baseball Association President. He hasn't done anything on the baseball fence yet and will get going on that. He would like to see if we can draw up a contract or agreement for use of the building that the Association bought and paid for. It might be nice to have a long term agreement in place in case people forget they paid for it. They do want the City to have access to the building if

needed. The Association is trying to make the facility nicer. They would like some kind of agreement in place so if someone didn't like the Association then they are covered.

- Attorney Koehn stated that was the original intent of the Commission.
- Commissioner Warren agreed but 15 years from now, would it be forgotten? If the Commission wishes, they would like to formulate some type of agreement.
- There was a consensus of the Commission for Attorney Koehn to put something together.
- Attorney Koehn will start working on an agreement.

Commissioner Martinez thanked Jeff Parsons for working with KBK and thanked them for coming here. He went out and looked at the facility and he will be glad to have someone in the building. He thanked Staff for working on it. He thanked the Commissioners that went to Topeka. He was ill and not able to make it. He does enjoy the conferences.

18. VOUCHERS.

\$1,410,596.25, dated October 4, 2018. *Commissioner Warren moved to approve the vouchers, as presented, with Vice Mayor Harden seconding the motion. The motion passed unanimously.*

19. EXECUTIVE SESSION- A ten (10) minute Executive Session per K.S.A 75-4319 (b)(1) – Personnel matters of nonelected personnel.

Vice Mayor Harden moved to go into executive session for ten minutes to discuss nonelected personnel pursuant to K.S.A. 75-4319(b)(1), which is the Personnel Matters of Nonelected Personnel exception under the Kansas Open Meetings and include City Manager Burke, City Attorney Koehn, Finance Director Ford and HR Director Schmutz to the Executive Session. They will go in at 7:13 p.m. and return at 7:23. Commissioner Carlile seconded the motion and it carried unanimously.

Mayor Seigrist inquired if the Commission wished to take any action as a result of the Executive Session.

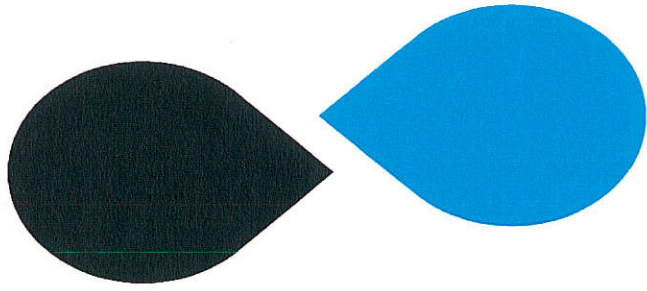
No action was taken.

The meeting was adjourned by Mayor Seigrist.

Connie L. Seigrist, Mayor

ATTEST:

Alicia Hidalgo, City Clerk

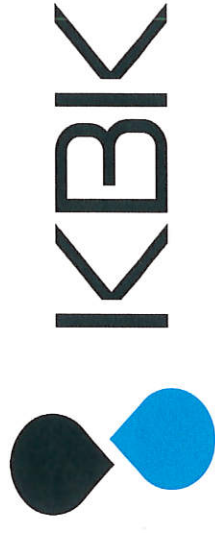
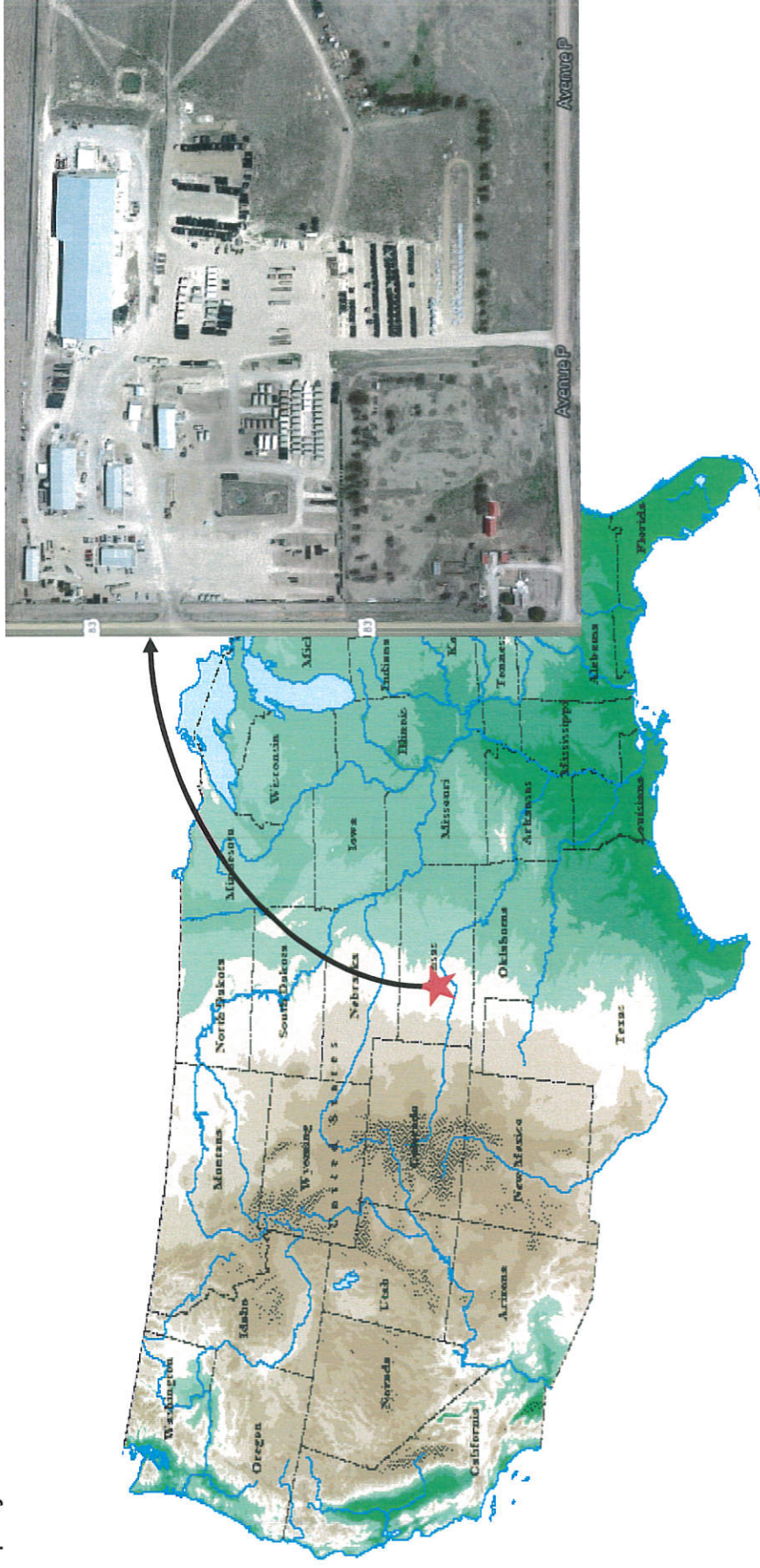


VBK

Store. Separate. Recover.

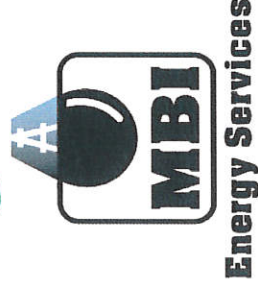
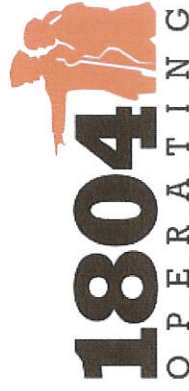
Company Overview

KBK operates a 150,000 square-foot manufacturing facility situated on 40 acres in Rush Center, Kansas.
Employees 137





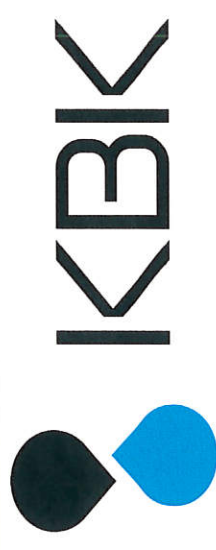
Key Clients



Product Overview

Oil & Gas

- API - Gunbarrels, Free Water Knockouts,
- Well Pad Site Storage Tanks
- KBK's patented technology: HWSB® and DFSD®



Product Overview

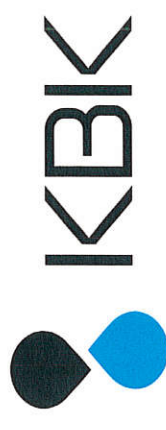
HWSB® and DFSD®

- **Oil Recovery Tank Technology**

- KBK's HWSB® - Hydrodynamic Water-Oil Separation Breakthrough
- Becoming the industry standard for SWD plants
- > 5x improvement in oil recovery rates
- Oil recovery to < 30 parts per million (PPM)
- < 6 months to recover capital investment
- Eliminates need for chemical treatment for separation
- Recover pipeline quality crude

- **Desander Technology**

- KBK's DFSD® - Desanding , Degassing and Flow Splitting Technology
- Removes suspended solids > 100 microns
- Eliminates abrasive wear on mechanical equipment in the system
- Eliminates tank clean out cost
- Eliminates need for human entry into tanks for clean out
- Eliminates associated gas prior to oil separation



Product Overview

Agriculture



Product Overview Municipal / Industrial



Product Overview Underground Storage



Liberal Manufacturing

- Product - Steel Tanks
- Initial Design - 300 tanks per month
- Initial Staffing – 25 to 30
- Capital Investment - \$8 million
- Phase 2 Expansion - \$2 million with capacity 500 tanks per month



Customized for Efficiency

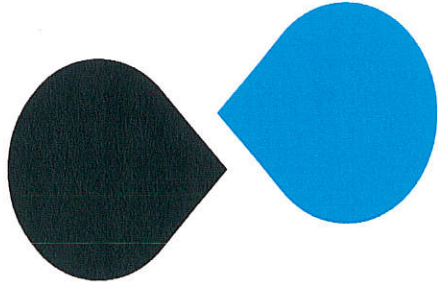


Computer and Laser Controlled



Advanced Welding Processes





KVBK

Questions?