

MINUTES OF THE REGULAR CITY COMMISSION MEETING HELD JUNE 6, 2007

The governing body met in regular session on June 6, 2007 at 5:30 p.m. in the City Commission Room in the City Hall, the following members being present and participating, to wit: Commissioners Jindra, Johnson, Gilliland, Lanoue and Hosie.

Absent: None.

Other Officers: City Manager Paine, City Attorney Uri and City Clerk Fleming.

The Mayor declared that a quorum was present and called the meeting to order.

Visitors: Jessica LeDuc, Toby Nosker, Ron Deal, Bert Farrish, Blake Hendrix, Jerry Burns, Alan Epstein, J.T. Klaus, Tom Arkey, John Lapointe, Judy Hill, Mark C. Morgan, Joe Hamel, Kirk Lowell, Richard Lowery, Roberta Lowery, Janet Lowell, Michael Wentz, Ruby L. Maline, Tom Tuggle, Susan Tuggle, Roy Reif, Tim Wahlmeier, Marvin Copple, Albert Kieffer, Beverly Mortimer, Dana Brewer, Tina Brewer, Ted Collins, Marsha Wentz, John Atkinson, Frank Headrick, Steve Womack, Janet Eubanks, Bruno Rehbein, Art Slaughter, Ron Copple, Larry Remmenga, Larry Eubanks, Bill Garrison, Eric W. Johnson, Steven Bryant, Jacquie Aytes, Richard Underbakke, Chér Knudsen, Eldon Wisdom, Christy Dexter, Anita Wisdom, Dan Farha, Donald Lanoue, Troy Willoughby, Dan Stelik, Mike Lamm, Pastor Sandra Moore, Ben Retter, and Susan Retter.

Pastor Sandra Moore, First United Methodist Church, provided the invocation before the city commission meeting.

Mayor Johnson announced the agenda had been amended. A resolution for a nuisance abatement had been added. City Manager Paine requested an executive session for attorney/client privilege be added to the end of the agenda. Commissioner Lanoue moved to approve the agenda. Commissioner Gilliland seconded. Motion carried.

APPROVAL OF MINUTES

Commissioner Jindra moved to approve the minutes of the May 16, 2007 regular meeting as written. Commissioner Gilliland seconded. Motion carried.

APPROPRIATION ORDINANCE NO. 10

APPROVED

Commissioner Lanoue moved to approve Appropriation Ordinance No. 10 except for the transfer on 4-26-07 from health to cafeteria for \$20,000 and the transfer on May 17, 2007 from health to cafeteria for \$20,000. Commissioner Hosie seconded. Motion carried.

PUBLIC COMMENTS

Mike Lamm, Babe Houser Motor Company, stated the Everton Energy project is a golden opportunity and could be, by far, the most positive thing to happen in the community in the last seventeen years and suggested to move forward on this project.

Beverly Mortimer, superintendent of USD 333, presented the commission with a letter of support from USD 333 board of education for the Everton Energy project. Ms. Mortimer stated the board had concern with first proposed location and was glad to see the plant will be further away from the schools. She also stated the increased truck traffic on Sixth Street in front of Middle School is a concern. Ms. Mortimer informed the commission in the future the board would support a bypass.

Dr. Steven Bryant stated he supports the ethanol plant and the opportunity it would bring to this area.

Armand Balthazor informed the commission, he and Mr. Copple have almost reached their goal of donations for the flag pole at the Sports Complex. He wanted to thank everyone who donated to the flag project.

Rick Underbakke, of Cloud County Community College, stated he had been in contact with Everton Energy about training potential employees. He stated community colleges need to get involved with training a work force for renewable energy fields and CCCC is excited about working with industries.

Dana Brewer, local attorney, would strongly urge the commission to send a positive message to Everton and be a part of the team to bring this to creation.

Judy Hill, Mayor of the city of Jamestown, showed her support county wide for Everton and stated economically it would be the right thing for the county and encouraged commission to support the decision. Ms. Hill also challenged the commission to the donation to Greensburg, because the city of Jamestown had donated.

MINUTES OF THE REGULAR CITY COMMISSION MEETING HELD JUNE 6, 2007, contd.

Christy Dexter stated she lived across the street from the Everton Energy sign and had a few things for the commission to consider. She felt we're thinking more of the "cents" than if it really makes "sense", in the regard of lots of workers would come, and so will their children, but will the children be English speaking children. Ms. Dexter stated she has been disappointed in how some things have been handled. She would like to be more informed from Everton with what will be going on. She questioned Everton on getting MSDS sheets and has not yet received them. Ms. Dexter hopes we proceed with caution and with our eyes open.

DISCUSS FINANCIAL DONATION TO CITY OF GREENSBURG

Larry Paine, City Manager, reviewed the general donation to the city of Greensburg that had been tabled at the previous meeting. Mr. Paine recommends contributing to a program the city of Parsons has set up for the city employees of Greensburg. Commissioner Gilliland suggested the city do something to show support. Commissioner Lanoue encouraged employees to contribute and stated she did not think the city should use tax dollars for a donation and that it should be an individual choice. Commissioner Johnson asked if tax dollars could be used for a donation. Mr. Paine informed him you could use tax dollars. Commissioner Jindra moved to contribute \$1,000 to the city of Greensburg employee benefit fund. Commissioner Hosie seconded. Motion carried with the vote following:

Yea: Commissioners Johnson, Hosie, Jindra and Gilliland.

Nay: Commissioner Lanoue.

PLANNING COMMISSION RESPONSE TO HARD SURFACE STREET/SIDEWALK REQUIREMENTS

Bruno Rehbein, Planning Commission secretary, informed the commission about the Planning Commission response regarding hard surface street and sidewalk requirements. Mr. Rehbein stated the Planning Commission recommends that the requirements for sidewalks and hard surfacing streets remain as written in the subdivision regulations. Mr. Rehbein asked the commission for questions or concerns about the response. After discussion, the commission decided to invite the Planning Commission to the next study session, June 20, 2007, and review the hard surface street and sidewalk requirements.

DISCUSS INTERIM CITY MANAGER AND INTERIM OPERATIONS

City Manager Paine addressed the commission about the interim city manager search he has been working on. Mr. Paine developed a list of eight (8) individuals capable of handling the interim city manager position and has communicated with four (4) of the eight (8) individuals. Discussion ensued about the search for an interim city manager and the time schedule for hiring an interim city manager. After discussion, the commission agreed to schedule a special call meeting Friday, June 8, 2007 at 5:30 p.m. and Wednesday, June 13, 2007, to hold an executive session to discuss non-elected personnel at each special call meeting.

DISCUSS CITY MANAGER SEARCH

City Manager Paine introduced Mark Tomb a member of the Kansas League of Municipalities staff. Mr. Tomb presented information on the League Executive Administrative Position Search (LEAPS) and the overview process as follows.

- The Pre-Conference Session
- Governing Body Assessment
- We Work for You
- Advertising
- Processing Resumes
- Interviewing Candidates
- We Guide You Through the Entire Process
- Experience

MINUTES OF THE REGULAR CITY COMMISSION MEETING HELD JUNE 6, 2007, contd.

Mr. Tomb stated all the above is included in the quote of \$4,866.00. Commissioner Hosie made a motion to engage with the League to assist in the search for a new manager. Commissioner Gilliland seconded. Motion carried. The commission asked Mr. Tomb if he would be available to meet with them after the commission meeting, during the study session, to continue the discussion.

**ACCEPT CLOUDCORP
INDUSTRIAL PARK FINAL PLAT**

TABLED

Mr. Rehbein informed the commission the Concordia Planning Commission voted 5-0 to recommend the City Commission approve the final plat of CloudCorp Industrial Park. He informed the commission they may approve or disapprove the final plat and accept or reject the street dedications within 30 days. He also informed the commission if they disapproved and or rejected the dedication of streets they must advise the Planning Commission of the reasons therefore and request reconsideration of the plat by the Planning Commission.

Several items relating to the CloudCorp Industrial Park final plat were discussed. Kirk Lowell informed the commission there is an agreement that is on a project by project basis; if the city and CloudCorp are comfortable with a project, CloudCorp would donate the land if the city would provide the infrastructure. Commissioner Johnson asked if Randall Hobrock could just be eliminated from the three way agreement. Mr. Lowell, as CloudCorp applicant, felt the commission had several concerns about the final plat and recommended the final plat be tabled. Commissioner Gilliland moved to table the acceptance of the CloudCorp Industrial Park plat and look at the development agreement between CloudCorp and the City. Commissioner Jindra seconded. Motion carried.

**RESOLUTION NO. 2007-1765
ACCEPT EVERTON ENERGY
DEVELOPMENT AGREEMENT**

PASSED

City Manager Paine invited Kirk Lowell to address the commission on the Everton Energy Development Agreement before they made a decision on the project. Mr. Lowell introduced Bert Farrish, President and CEO of Everton Energy and the Everton Energy team. Also in attendance were Tom Arkey and John Lapointe with US Water Services to answer questions on water quality.

Mr. Lowell started his presentation by stating there has never been a perfect project. Mr. Lowell conducted an exercise to review the population in Cloud County over the last several years. He said the commission has the opportunity to reverse the population decline. "The Commission will be considering a milestone that will be recorded in Cloud County and Concordia's history," Mr. Lowell said of the ethanol plant.

Bert Farrish with Everton Energy thanked the commission for the opportunity in the last few months to present the project. Mr. Farrish hoped all the questions in the development agreement had been answered and he hoped for a unanimous vote from the commission. He stated a unanimous vote would send a strong message to state officials and investment community as Everton Energy moves forward with the project.

Commissioner Lanoue asked if the commission would be discussing the recently passed House Bill 22-57. City Attorney Uri explained what Commissioner Lanoue was referring to. Mr. Uri stated House Bill 22-57 is an amendment to a state statute regarding some aspects of special assessment financing. Mr. Uri explained under the old law, a city would use special assessment funding to complete a project, which had to be built by the city. He advised with the new amendment, a city now has the option to let a developer build the project. He stated the second part of the change was in what type of financing that can be used for a project. Mr. Uri said in the past special assessment financing had to be with general obligation bonds and now a city has the option to use revenue bonds to finance a project.

Commissioner Gilliland asked Mr. Uri if a decision on what type of financing that will be used has been made. Mr. Uri stated language in the development agreement had been changed to reflect the possibility of an alternate type of financing.

Mayor Johnson asked if the city has to take bids for contracts. Mr. Uri stated the city does not have to bid contracts; he further stated first class cities with mayor-council form of government are the only cities in Kansas that have to by law.

MINUTES OF THE REGULAR CITY COMMISSION MEETING HELD JUNE 6, 2007, contd.

Commissioner Lanoue questioned the water quality, the levels of the radium in the water and if the water would be blended or treated. Mr. Farrish stated words had been added to the development agreement that Everton will put a filtration system in place to treat the high levels of radium in the water so it will meet municipal standards. Blake Hendrix stated Everton would be working with US Water Services on the treatment of the water.

Mayor Johnson asked about the letter of credit and the risk the city might be in with special obligation bonds if the plant did not produce as anticipated. Mr. Klaus advised Everton would have to pay their taxes before they would pay anybody else.

Commissioner Gilliland stated from a banker's perspective "we have just beat the hell out of this". He said every time we had a question or found a problem, Everton stepped up to make sure the city is not at risk. Commissioner Gilliland stated several more positive reasons for accepting the development agreement. After further discussion, Commissioner Gilliland made a motion to approve Resolution No. 2007-1765. Commissioner Jindra seconded.

Thereupon, there was presented a Resolution entitled:

WHEREAS, THE GOVERNING BODY FINDS IT ADVISABLE TO ENCOURAGE THE CONSTRUCTION OF NEW INDUSTRIAL FACILITIES WITHIN THE COMMUNITY; AND WHEREAS, AN AGREEMENT HAS BEEN DEVELOPED BETWEEN THE CITY AND EVERTON ENERGY CONCORDIA, LLC, TO PROVIDE FOR THE INCORPORATION OF A CERTAIN TRACT OF LAND INTO THE CITY OF THE CITY OF CONCORDIA AND DEVELOPMENT OF AN ETHANOL PLANT AND RELATED FACILITIES ON THAT TRACT;

Thereupon, Commissioner Gilliland moved that said Resolution be adopted. The motion was seconded by Commissioner Jindra. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, being as follows:

Commissioner Lanoue commented she did not believe exposing taxpayers to the risk of a defaulted \$6.9 million in special assessments over a 15-year period is in the best interest of the community.

Yea: Commissioners Johnson, Jindra, Gilliland, and Hosie.

Nay: Commissioner Lanoue.

Thereupon, the Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. 2007-1765 and was signed by the Mayor and attested by the Clerk.

Mr. Farrish thanked the commission for their positive vote and looks forward to continuing work with the city on a positive basis.

**RESOLUTION NO. 2007-1766
NUISANCE ABATEMENT- 1004 REPUBLICAN APPROVED**

Thereupon, there was presented to the City Commission a Resolution entitled:

WHEREAS, THE GOVERNING BODY HAS DETERMINED THAT A NUISANCE EXISTS AT THE FOLLOWING LOT OR PARCEL OF GROUND WITHIN THE CITY OF CONCORDIA: N 77' OF LOTS 1 & 2, BLK. 85, SUBDIVISION ORIGINAL TOWN, CONCORDIA (1004 REPUBLICAN)

The Resolution was considered and discussed; and thereupon on motion of Commissioner Jindra, seconded by Commissioner Hosie, the Resolution was adopted by the following roll call vote:

Yea: Commissioners Hosie, Johnson, Jindra, Lanoue and Gilliland.

Nay: None.

Thereupon, the Resolution having been adopted by vote of the members of the City Commission it was given No. 2007-1766 and was directed to be signed by the Mayor and attested by the City Clerk.

MINUTES OF THE REGULAR CITY COMMISSION MEETING HELD JUNE 6, 2007, contd.

MAYOR/COMMISSIONER
COMMENTS AND REPORTS

Commissioner Lanoue asked if money had been transferred for the bond and interest payments that had been made to pay TIF Bonds. City Manager Paine stated yes we will make the transfers in a timely fashion. Commissioner Lanoue asked again for the administrative policies, break down of 222 by department and what it was for, debit card policy and expenditures, and would like to have the information in the next week. Ms. Lanoue questioned how the city would pay the employee benefits. Mr. Paine stated Ruby Maline, Finance Director would be amending the accounting process. Commissioner Lanoue requested a written report on the employee benefit fund from Ms. Maline. Commissioner Lanoue asked about the "red" balance in E911. City Manager Paine informed her that it has already been submitted. Ms. Lanoue requested an update from Danny Parker, Police Chief, on the letter she received from Dutch Braun.

Commissioner Johnson asked what the process was for a nuisance abatement. City Manager Paine informed Mr. Johnson of the nuisance abatement procedure.

Commissioner Lanoue asked if we were actively doing nuisance abatements. Lisa Fleming, City Clerk, stated 11 letters have been sent out.

STAFF COMMENTS

Ron Copple, Director of Public Works, reported on the flag pole project. Mr. Copple and Armand Balthazor have raised \$970, plus commitment on concrete to set the pole and to do the wiring for the light on the pole. \$3,000 will be taken out of the Sports Complex improvement fund. Mr. Copple wanted to thank all those who donated to this project. Mr. Balthazor again thanked everyone who donated. Commission gave approval to proceed with the flag pole project.

EXECUTIVE SESSION –
ATTORNEY/CLIENT PRIVILEGE

HELD

At this time, Commissioner Johnson moved that the commission recess into executive session for ten (10) minutes for discussion of attorney/client privilege. Inviting: Larry Paine and Larry Uri. Commissioner Hosie seconded. Motion carried by the following vote:

Yea: Commissioners Jindra, Johnson, Gilliland, Lanoue and Hosie.

Nay: None.

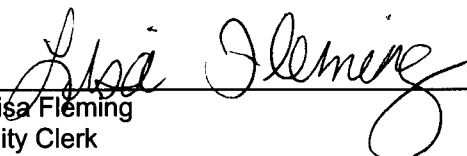
Time: 8:02 p.m.

The commission reconvened at 8:12 p.m.

Mayor Johnson announced there was no action taken.

Mayor Johnson announced there would be a study session following the meeting.

There being no further business, Commissioner Jindra moved to adjourn the meeting. Commissioner Lanoue seconded. Motion carried.



Lisa Fleming
City Clerk

(Seal)