



A BIG DUMP TRUCK fed asphalt to a paving machine Friday as a crew with Venture Corp. (above) worked on U.S. 83 south of town. The firm is repaving the road from

eight miles south of town to the K-383 junction. Over a dozen vehicles (below) followed a pilot car through the work zone.

— Herald staff photos by Kimberly Davis

Crew finishing road job

Road construction south of town on U.S. 83 is just about done, but crews already have started work on a project west of Oberlin on U.S. 36.

Anyone who's traveled south or west of town the past week has run a chance of being stuck for anywhere from 15 to 20 minutes to follow a pilot car through the work being done by the Venture Corp. of Great Bend.

Kristen Brands, with the Kansas Department of Transportation in Norton, said Venture should be done with the paving project on U.S. 83 south of town to the K-383 junction within the next five days. The work started a little over two weeks ago, with crews milling off the old surface and recycling the chunks into new asphalt, which is put back down on the road in a two-inch overlay.

On U.S. 36, the project started



at the U.S. 83 junction in Oberlin and will go 11 miles west to the Rawlins County line. The workers have been heating up the pavement and rolling the old asphalt into a

smooth surface That will be covered with a 1 1/2-inch overlay.

Mrs. Brands said the workers started the two-inch "heat scarification" on U.S. 36 last week. She

wasn't sure when the repaving would be done.

The projects have an estimated cost of \$2.7 million.

City lifts water use restrictions

By **KIMBERLY DAVIS**
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With the end of summer here and temperatures dropping, the Oberlin City Council voted Thursday to lift outdoor water restrictions in place since mid-July.

The council voted in the restrictions after the city pumped more than 750,000 gallons of water in a 24 hour period several days in a row. With water use staying at or under the 500,000 gallon mark this month, however, the council voted unanimously to lift the restrictions.

City Administrator Gary Shike told the council lifting the restrictions was OK with the water department.

Willard Perrin, head of the department, said the restrictions help the city wells catch up during the day. Without the watering rules, he said, people will water whenever they want, even when it rains. Banning

outdoor water use in the middle of the day, said Mr. Perrin, helps give wells have a chance to recover.

Even with the restrictions for the last few years, the city has less water to use.

Mr. Perrin said back in 1990, he can remember the city pumping 1 million gallons a day, every day, but with the loss of some wells contaminated by nitrates, now the trigger for water restrictions is 750,000 gallons in a day.

Ten years ago, the city lost three of the wells because of high nitrates, he said. Today, the city has three wells, he said: No. 12 can pump 400 gallons per minute, No. 10 at 320 and No. 11 at 350, a total of about 1,070 gallons per minute.

Well No. 10, said Mr. Perrin, could pump 650 gallons per minute six years ago and 400 two years ago. During the summer, though, it was (See WATER on Page 8A)

Investors should know about banks

By **KIMBERLY DAVIS**
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With a bank in Georgia closing Friday because it ran out of capital and big banks in Nevada and California closing their doors, Oberlin bankers say it's important for people to know something about the banks where they invest their money.

Anyone can go to the website FDIC.gov, said Gary Walter, president of The Bank, and calculate their deposit insurance. You just need to know how your accounts are set up and the balance in each.

People also can also go online and find out about a bank where they want to invest their money. It's important to know and understand the protection offered by the FDIC, the Federal Deposit Insurance Corp., Mr. Walter said.

If a bank fails, he said, account holders with balances in excess of the insurance may or may not get that money back. It's good for account holders to know that up front. Besides going online, he said, bank

employees are more than willing to help make those determinations, and know the answers.

With the three banks that closed recently he said, there was a lot of misinformation and worry, but people never missed a beat in access to their money.

Most bank failures, he said, can be traced back to the bank running out of capital. Depositors can check the capitalization ratio of any bank online, he said. Very few bank examiners, said Mr. Walter, in his 20 plus years of experience, would be comfortable with a 3 percent capital, although regulations say that's OK. There is always something, whether it's weather, markets, local or regional economics, that will require a bank to have more than 3 percent, said Mr. Walter.

He added that he can't speak for all bankers, but he thinks even well-run banks should have a capital ratio of around 8 percent.

At Farmers Bank and Trust, said (See BANKERS on Page 8A)

Council asks for proposal on new motel

By **KIMBERLY DAVIS**
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The Oberlin City Council agreed Thursday to ask the Oberlin-Decatur County Economic Development Corp. to write a proposal for what the city could offer a new motel or hotel.

The proposal would then be approved or changed by the council, which talked at length about getting a new motel during the meeting. Months ago, the council talked with Dave Winfield of Kearney, Neb., who showed some interest in building a motel here. At the time, Mr. Winfield asked the city provide land and about \$300,000 worth of utilities and other help.

Mayor Joe Stanley said he, Councilwoman Marcia Lohoefer, Economic Development Marketing Director Connie Grafel and City Administrator Gary Shike met with a gentleman from C&H Power Line about buying part of the old Oberlin Inn the contracting firm owns next to the old port of entry. The deal would then mean the city would eventually purchase all of the old motel.

Mayor Stanley said this idea would include the old port of entry

City talks tax abatements

While discussing a proposal for a new motel, the Oberlin City Council talked about industrial revenue bonds and tax abatements briefly at its meeting last Thursday.

Someone asked whether industrial revenue bonds could be sold for remodeling an existing business. With the industrial revenue bonds, said City Attorney Steve Hirsch, the business also could get a tax abatement on the improvements.

The idea, said City Administrator Gary Shike, is to keep things fair, since there is another motel in town. The city wouldn't want to give a new motel an unfair advantage over an existing business.

Without the industrial revenue

at the U.S. 36-U.S. 83 intersection and land to the east. In round figures, he said, \$300,000 is what the city would need to put in to get a new motel here.

Another idea would be to use

the property to the south of The Gateway off U.S. 83, said Mrs. Lohoefer. The city already owns that land, while the land from C&H will cost \$49,000 now, plus whatever the cost is for the the motel and the rest

of land when C&H is done here.

The company purchased the old motel for \$250,000, she said, and eventually wants to sell all of it.

"The way I understood the guy from C&H," said Mayor Stanley, "we would eventually buy it all, but there wasn't a price stated."

The utilities to the land south of The Gateway are right there, so that expense wouldn't be as much, said Mrs. Lohoefer.

Mayor Stanley said Ms. Grafel has been in contact with the Super 8 chain, but for one of those motels to come here, the corporation looks for five to seven private investors, and there's a small franchise fee.

Mrs. Lohoefer said the motels Mr. Winfield builds look like quality operations. He is recommending a 20-unit motel here. It all seems positive, she said, adding that she believes the town needs a new motel.

It there was any money to be made, asked Councilman Rob McFee, wouldn't someone have already put one in?

A new motel, said Councilman Ray Ward, is something the city is probably going to need if we want (See COUNCIL on Page 8A)

County to accept donations for center

By **KIMBERLY DAVIS**
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The Decatur County commissioners agreed last Tuesday to take donations for the new senior center, bowling alley and movie theater project, allowing them to be tax deductible.

Greg Lohoefer, who has been working on the new center, said he and Connie Grafel, marketing director with the Oberlin-Decatur County Economic Development Corp., planned to start collecting pledges made for the tax credit program. If everyone gives what was pledged, said Mr. Lohoefer, there's about \$75,000 that won't be eligible for a tax credit.

After visiting with a few people, he said, someone suggested that the checks for that money be written to the county so there isn't any question about the donations - deductible on federal tax returns, even if they didn't get the credit on state income taxes.

County Attorney Steve Hirsch asked if there was a reason not to run the donations through the Chamber of Commerce.

Mr. Lohoefer said he talked to a tax preparer, who said there are six categories that groups like the

Chamber can take tax-deductible donations for. The tax preparer said he didn't think the center fell into any of those areas.

Mr. Hirsch said he would think since the chamber has the 501C3 classification, donations to it would be tax deductible anyway.

After a call to Steve Zadow, the county's auditor, the commissioners agreed to accept the donations and put the money into an account call "core." That account was used for donations for the speedway track, said Clerk Marilyn Horn. The donors would then be able to list the donations as tax deductions, and all of the money would be spent on the center.

Mr. Lohoefer said he wants people to get the most out of their donations. Several people have said they will give regardless of whether they get a tax credit, he said, while others have said they won't give without the credits. There's \$255,000 pledged, he said, and \$178,000 of that can qualify for the tax credit program.

How are you going to figure out who gets the tax credits and who doesn't? asked Mr. Hirsch.

That's a good question, said Mr. (See PLANS on Page 8A)

City administrator announces his resignation

After nine years on the job, Oberlin's city administrator handed in his resignation during a council meeting Thursday.

Administrator Gary Shike said he's been thinking about leaving the job for a while and decided to turn in his resignation now. It isn't good for a city to have the same administrator for too many years, he said, adding that he will probably work

another 30 days before actually leaving

That should give the mayor some time to call the Kansas League of Municipalities to find out the best way to hire a new administrator, he said.

Although Mr. Shike has been the administrator for nine years, he's been on the city staff for 18 altogether.

Mr. Shike said he doesn't have definite plans yet for what he will do next.

His resignation was announced after a 30-minute closed session for personnel with the council, administrator and city attorney last Thursday.

*Council discusses land options

(Continued from Page 1A)

to promote the area or The Gateway. People need a place to stay. A lot of people go to McCook to stay now, he said, and if they have to drive there for a motel or hotel, they choose to do their business there, too. He said some groups choose not to rent The Gateway because they have to travel for hotel accommodations.

Councilwoman Rhonda May said she isn't sure about the city giving \$300,000 for a \$1.2 million investment.

At one time, the council members discussed negotiating with Mr. Winfield about the amount, said Mr. Ward.

Someone mentioned financing a motel with industrial revenue bonds. City Attorney Steve Hirsch said that could be done and the owner, not taxpayers, would pay that money back. Normally, he said, the expense for the bonds goes to the developer.

It sounds like the project is in the city's lap now, said Mrs. Lohoefer.

Mr. Shike said Gary Anderson, with Decatur Tomorrow, came to him with an idea the committee came up with to build a motel attached to The Gateway. That could maybe chance the tax-free status of The Gateway, however.

Someone asked if the city can run a motel, and Mr. Hirsch said it could.

"For me, if we are going to spend

that kind of money," said Mr. Stanley, "we need to contact all motels interested and see who is going to put up the best motel."

Ms. May said she agrees if that means they will get more than one bidder.

Without a price up front from C&H, but the assumption that the city will purchase all of that property, said Mr. McFee, that isn't a good deal. The city would have to know the complete purchase price up front.

What would the impact be for building a motel to the south of The Gateway? asked Mrs. Lohoefer.

Mr. Shike said he doesn't think anything else is going to be built there, but it could detract from the esthetics of The Gateway.

It seems like that would be less of a financial cost, said Mrs. Lohoefer.

If a motel is built onto The Gateway, asked City Foreman Dan Castle, could the money from the Bremer estate be used? The city expects to net about \$1 million for use at The Gateway from the estate.

"I think that was the idea," said Mrs. Lohoefer.

"I am confident," said Ms. May, "that the city doesn't want to own a motel."

The council came to the consensus to ask the development group to come up with a proposal it could vote on.

High wire act



READY TO CLIP old wires, city Foreman Dan Castle responded when a limb pulled down electric service lines to two homes near the post office Sunday. Winds whipped out of the south up to 30 mph, with gusts as high as 45. The break left the homes of Ruby Poe on York and Glen Strong on Griffith without power until the wires could be replaced. Later, power for the rest of the town went out at least twice as wind battered the lines, but the city crew was able to reset switches quickly each time.

— Herald staff photo by Steve Haynes

*Plans move forward

(Continued from Page 1A)

Lohoefer. He said he and Ms. Grafel will just have to meet with those giving money and figure it out.

The commissioners and Mr. Lohoefer talked about whether the county will own the building or another group or agency. Mr. Lohoefer said he thought the county would own the building, but not the equipment. Commissioner Ralph Unger said he thought the county would own the Golden Age Center part of it, but the theater board would own the theater and the development corporation would own the bowling alley.

No decision was made.

The architect, said Mr. Lohoefer, is working up the final drawings.

The schedule is for them to collect pledges in the next week, he said. Then, in the last two weeks of September, volunteers will salvage what can be taken out of the buildings. Demolition will be done the first few weeks of October, the concrete will be poured after that, and the building will go up, although a date hasn't been set.

Nothing is set in stone, he added.

Mr. Lohoefer said he had talked to a couple of contractors who have the machinery needed to help with demolition, but he hasn't received anything in writing. One man said he would donate his time, he said, with the only expense being his fuel, while the other said he would work for an hourly rate. He said they hope to use county trucks to haul the debris to the landfill.

Mr. Hirsch said the commissioners had signed a resolution during the meeting needed for a general obligation bond issue of \$300,000, which the county will repay.

The community support and the willingness of people to support this project has been wonderful, said Mr. Lohoefer. There are lots of people working behind the scenes who need to be thanked, as well as the commissioners.

*Bankers say banks are safe

(Continued from Page 1A)

owner Barney Horton, this year the institution has had a capitalization ratio on average of 8.5 percent, while Mr. Walter said at The Bank, the ratio has averaged 9.37 percent.

(A representative of First National Bank and the reporter called each other several times Tuesday, but weren't able to make contact with each other.)

The first safety net, said Mr. Horton, is the federal insurance up to \$100,000 for regular accounts.

Another is the capitalization ratio. A good capital ratio for this area is 8 percent, said Mr. Horton, although the legal limit is much lower. Area banks normally don't get down in the lower levels, he said.

While some people may think that big banks are safer than smaller community banks, said Mr. Walter, historically, community banks lend money in their area and know the environment, which means less risk. Information is coming to light that even the big Wall Street bankers did not understand the investments they were buying, said Mr. Walter.

As a result, he said, they couldn't identify the risks they were taking. Community banks seem to have more "vanilla" investments, he said, but ones where the return is maximized.

Mr. Horton also said most of the money with community banks is invested nearby through loans, with government agencies and in municipal bonds.

Whatever you do, said Mr. Horton, money should be safer in a bank than at home. If it gets lost or stolen, he said, it's gone. In a bank, you have protection.

*Water restrictions lifted today

(Continued from Page 1A)

down to 280 gallons per minute. Mr. Perrin put acid in the well to clean the screens and the production grew.

No. 11's production is also down, from 420 gallons per minute in 1992.

Recent measurements from the ground to the surface of the water in the wells shows a decline in two

out of three of the wells, he said. In January 2002, it was 29 feet from the ground to the water in well No. 10, and this summer it was 35 feet, three inches. That means the water is further away, he said, and harder to pump.

In No. 11, it's the same story. In 1999 it was 26 feet, three inches from the ground to the water and this summer it was 33 feet.

Only in No. 12, the newest well east of town, did the water get closer to the ground level. It was 39 feet, six inches in 2006 when the well was drilled and now it's 37 feet, six inches.

The bottom line, he said, is that water production for the city is down compared to what it used to be, but the water restrictions in the summer do help.

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Engineers to talk water

The Oberlin City Council will discuss possible improvements to the water distribution system at the regular meeting Thursday.

At a July meeting, council members asked if the engineers with Miller and Associates could pull water distribution improvements out of the plans for a \$4 million water treatment plant the council has been reluctant to build.

The meeting starts at 7 p.m. at The Gateway and is open to the public.