

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JANUARY 10, 2019

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, January 10, 2019 at 6:30 p.m.

Roll Call: Present: James Meier

Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

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

2. MINUTES: There were no corrections or additions to the minutes of the regular meeting held on December 13, 2018; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Finance Director, Kim Rupp, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended November 30, 2018.

Month-to-date general fund sales tax collections were at \$582,257, which is an increase of \$13,097 or 2.3% as compared to last year. Year-to-date general fund collections are at \$6,556,028 up \$32,714 or .50%. Also, the six month moving average at 1.3% continues to be positive for the sixth month in a row.

The portfolio of certificates of deposit on November 30, 2018 totaled \$44,850,000 with a weighted average interest rate of 2.18% up a full 1.0% from a year ago. Par Value on the portfolio of Treasury Notes is \$7,707,000 with a weighted average yield to maturity of 1.78%. The total balance of the Money Market account on November 30, 2018 was \$3,000,000 with a current yield of .50%. Total investments are down \$1,393,000 when compared to this time last year.

Ron Mellick moved, Shaun Musil seconded, to approve the Financial Statement for the month of November, 2018 as presented.

Vote: Ayes: James Meier

Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

4. CITIZEN COMMENTS: There were no comments

5. CONSENT AGENDA: The following appointments were recommended at the December 13, 2018 City Commission meeting and are now being presented for approval.

Airport Advisory Committee

Jason Staab – three-year term to expire April 30, 2022 (1st term)

CARE Council

Amy Schaffer – unexpired term to expire March 1, 2020 (1st term)

Henry Schwaller, IV moved, Sandy Jacobs seconded, to approve the consent agenda as presented.

Vote: Ayes: James Meier

Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

NEW BUSINESS

6. MEHRAN SHAHIDI/SISTER CITIES UPDATE ON CHINA TRIP: Mehran Shahidi, Director of Intercultural Integration and International Recruitment at Fort Hays State University (FHSU) and a member of Hays Sister Cities Advisory Board, provided an update on his recent trip to China. He stated he had a very positive meeting with the Mayor of Xinzheng City, Henan, China, one of our Sister Cities. The purpose of the meeting was to introduce Sister Cities

International, the City of Hays, and FHSU, to the new Mayor of Xinzheng. During the meeting Mr. Shahidi delivered a key from the City of Hays, at the Commission's request, and invited them to Hays with a letter prepared by Mayor Meier. They stated they look forward to that visit and in return invited the Commissioners to Xinzheng for the Sias International University's 20th anniversary celebration on May 25, 2019. He thanked the Commissioners for the opportunity to represent the City of Hays at that meeting.

Cindy Elliott, a Sister Cities International Board Member and the Kansas State Representative for Sister Cities spoke to the Commissioners about the history of Sister Cities. She stated that Sister Cities International and the National League of Cities are forging a partnership. She asked if the City of Hays is a member of the National League of Cities. Vice-Mayor Schwaller stated the City was a member years ago, but the dues were quite costly. Commissioner Jacobs asked what the cost would be and what benefits joining the National League of Cities would provide. City Manager, Toby Dougherty, stated it is usually based on population.

Ms. Elliott noted that the China/US Mayor's Summit meeting will be in Houston at the same time as the Sister Cities Conference July 17th to July 19th. She noted this is the 60th Anniversary of US China relationships and she encouraged City Leaders to be part of that meeting.

7. HAYS RECREATION COMMISSION POOL REIMBURSEMENT REQUEST:

Jeff Boyle, Director of Parks, reported that each year the Hays Recreation Commission (HRC) and the City of Hays conduct a joint meeting to discuss general operations, financial reports and/or any other facility needs or expectations that may need to be addressed. The joint meeting was held on January 3, 2019. One of the items discussed which requires City Commission approval is the pool reimbursement request from the Hays Recreation Commission.

City staff recommends proceeding with the pool reimbursement request, as outlined in the Pool Services Agreement, for HRC operational losses at

Wilson Pool and the Hays Aquatic Park for an amount of \$19,668.70. This amount reflects one-half of the total HRC loss for the 2018 season of \$39,337.40.

Sandy Jacobs moved, Ron Mellick seconded, to approve the pool reimbursement request from the Hays Recreation Commission for the 2018 pool loss amount of \$19,668.70 with funding from the Contractual Services line item of the 2018 General Fund Pool Budget.

Commissioner Musil asked how many attend without a season pass and what a \$1.00 rate increase on admission fees for the pools would generate. He also asked Roger Bixenman, HRC Superintendent, if he thought raising the fees would hurt attendance. Mr. Bixenman stated he doesn't think so. He noted that they raised adult fees a few years ago. He added it is affordable with the early bird special on season passes. Mr. Boyle stated they would get him that information on attendance and fees. Vice-Mayor Schwaller asked if the price was the same for Wilson Pool as for the Aquatic Park. Mr. Bixenman stated the admission fee for Wilson Pool is \$1.00 less.

Vote: Ayes: James Meier

Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

8. ANNEXATION OF PROPERTY LOCATED AT 183 BYPASS AND WEST

33RD STREET: Jesse Rohr, Director of Public Works, reported Robert and Sondra Swift, who own 23.310 acres of property on the west side of the 183 Bypass and West 33rd Street, have submitted a signed consent to annex the property under K.S.A. 12-520c and desire to annex to allow for development of the property and connection to City services. The land is approximately 500 feet from the present City limits but is not contiguous. Staff recommends annexing this property due to its proximity and the availability of City services and infrastructure necessary to serve this property once developed.

A portion of the property being requested to be annexed is known as Creeksite Acres which previously was a Mobile Home Park. The property is

zoned Agriculture (A-L). The other portion of property includes a section of Big Creek that runs along the west side of the property. Several years ago, several buildings and some infrastructure were removed from the property. Being this close to Big Creek, all of this property is located within the 100-year floodplain and any development would be required to follow the City of Hays floodplain development ordinances. Sewer access is located along the east side of Highway 183 Bypass. Upon annexation approval, the developer plans on extending a City water main from Columbine west to this property at no cost to the City.

Since the property is not abutting the current City limits, state statute requires a resolution be approved by the City asking the Ellis County Commission to consider a resolution determining that the annexation of the land will not hinder or prevent the proper growth and development of the area or that of any other incorporated city located within the county. If the county passes such resolution, the City Commission will then be asked to consider an ordinance annexing the property at a later date.

Shaun Musil moved, Henry Schwaller, IV seconded, to approve Resolution No. 2019-001 requesting a resolution from the Ellis County Commission determining if the requested annexation of the property along Highway 183 Bypass and West 33rd Street, as legally described in the Resolution, is indeed advisable as required by K.S.A. 12-520c.

Commissioner Mellick asked if the waterline would be installed at a standard to handle any future development in that area. Mr. Rohr stated it would be extended to, at a minimum, an eight inch city water main that would allow for future connections.

Vote: Ayes: James Meier

Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

9. EAST 41ST STREET IMPROVEMENTS – AWARD OF BID: John Braun, Project Manager, stated one of the financial incentives utilized by the Home Depot development was a Transportation Development District (TDD). The TDD is funded with an additional $\frac{3}{4}$ % sales tax within the district. In addition to the initial improvements, the TDD contained provisions for Phase II improvements if revenue collections in the district exceeded expectations. Due to accelerating revenue receipts in the district, staff feels there are sufficient revenues to support up to a \$1.5 million bond for Phase II improvements. Phase II improvements included an extension of 43rd Street, an extension of 41st Street, and the creation of Indian Trail between 41st and 43rd. The most feasible of the three projects is the extension of 41st Street.

At the December 21, 2017 work session, the City Commission directed staff take steps toward the extension of 41st Street to open the area east of Vineyard Road Park for future development.

Bids were received from five contractors with the low bid coming from Paul-Wertenberger Construction, Inc. of Hays in the amount of \$692,133.50. Staff recommends entering a contract with the low bidder for the construction of improvement to East 41st Street adjacent to Vineyard Park.

Mr. Braun stated the current schedule calls for construction to begin in March and be completed within 120 working days.

Henry Schwaller, IV moved, Sandy Jacobs seconded, to authorize the City Manager to enter a contract with Paul-Wertenberger Construction, Inc. in the amount of \$692,133.50 for the construction of improvement to East 41st Street adjacent to Vineyard Park to be funded from the TDD Sales Tax Fund.

Mayor Meier spoke against the project. He stated he thinks this is a project in search of a problem and that if these funds had to come out of the general fund, we would not be building a street to nowhere out in the middle of nowhere along with the waterline. He feels this money would be better spent by the taxpayers of Hays and the people that shop in that district. He thinks it would be beneficial to that district to see a decrease in sales tax of $\frac{3}{4}$ %.

Vice-Mayor Schwaller stated he appreciates Mayor Meier's comments. He noted that when we entered into an agreement with Home Depot and the Developer, the retailer supported the tax, including continuing that support if the original debt was paid off early. He added that our goal then, as it is now, was to connect Vine Street to Commerce Parkway. It is our intention to see growth happen to the north and to the east and that is why we took an option on a piece of ground at the other end of this road.

Mayer Meier stated from past discussions the Commission has come to the conclusion that putting in streets and water and sewer does not give us development and that is exactly what we are doing, we are spending money on infrastructure in hopes that something will develop and there is no evidence to show that that is going to happen.

Commissioner Musil stated he believes we will have development in that area and said if the City doesn't do it now with tax money, the Commission will be asked to pay for it later out of the general fund.

Commissioner Jacobs stated she would love to see the road go all the way from Vine Street to Commerce Parkway and having the funds and the ability to do it now with TDD money is a very good way to do it.

Commissioner Mellick stated when he looks at this he doesn't look at it as a road to nowhere, but as a bridge to somewhere. This is a bridge out to where a developer will be able to afford to put in housing or even a commercial development.

Vote: Ayes: Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

No: James Meier

10. RESOLUTION AUTHORIZING THE IMPROVEMENT/RE-IMPROVEMENT OF 41ST STREET AND PROVIDING FOR THE PAYMENT OF COSTS:

Kim Rupp, Director of Finance, reviewed the current Home Depot Transportation Development District (TDD) which includes Home Depot, IHOP, Hampton Inn,

Town Place Suites by Marriott, JT Travel Plaza, Taco Grande, and a yet-to-be developed area to include 47,000 square feet of retail space.

The ¾% TDD Sales Tax in that district outperformed initial projections and therefore the 2004 TDD bonds financing the Phase I improvements to that area were called early and completed in January 2018. It was determined the ¾% TDD Sales Tax could continue until March 2027 to fund a portion of the Phase II improvements as presented by the City's Project Manager.

If the Commission determines they wish to move forward with the partial Phase II improvements, per statute, it is necessary that a resolution be approved authorizing the improvement of 41st Street and providing for the payment of the costs thereof.

Sandy Jacobs moved, Shaun Musil seconded, to adopt Resolution No. 2019-002 authorizing the improvement or re-improvement of 41st Street within the City of Hays, Kansas and providing for the payment of the costs thereof.

Commissioner Musil asked if the sales tax would end with no option to extend it, after these improvements are done. City Manager, Toby Dougherty, stated unless the Commission takes further action the sales tax would go off. He stated Phase II improvements included three possibilities: an extension of 41st Street, an extension of 43rd Street, and the creation of Indian Trail between 41st and 43rd. Those are the only projects that were allowed. If a future Commission were to determine there would be enough revenue to do one of the other projects, they could, but unless the City Commission takes action to do that, the sales tax would drop off as soon as the note or bond is paid off.

Vote: Ayes: Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

No: James Meier

11. COMMISSION INQUIRIES AND COMMENTS: Vice-Mayor Schwaller asked for a discussion at a future work session regarding the possible realignment of

the intersections at Dillons on Vine Street and possible realignment of the traffic signal at 18th and Vine Street.

12. EXECUTIVE SESSION: Ron Mellick moved, Shaun Musil seconded, that the Governing Body recess to executive session at 7:16 p.m. for 15 minutes to discuss matters related to attorney-client privilege information. The executive session included the City Commission, City Attorney, Todd Powell with the City Attorney's Office, and the City Manager. K.S.A. 75-4319 authorizes the use of executive session to discuss the topics stated in the motion.

Vote: Ayes: James Meier

Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

No action was taken during the executive session.

The meeting was adjourned at 7:31 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk