

MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF HAYS, KANSAS  
HELD ON FEBRUARY 10, 2022

**1. CALL TO ORDER BY CHAIRPERSON:** The Governing Body of the City of Hays, Kansas met in regular session on Thursday, February 10, 2022 at 6:30 p.m.

Roll Call: Present: Mason Ruder  
Michael Berges  
Shaun Musil  
Sandy Jacobs  
Reese Barrick

Mayor Ruder 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 January 27, 2022; the minutes stand approved as presented.

**3. FINANCIAL STATEMENT:** Kim Rupp, Director of Finance, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended December 31, 2021.

Month-to-date (MTD) general fund sales tax collections were at \$922,102, which was an unprecedented increase of \$272,000 or 42% as compared to last year. Year-to-date (YTD), general fund sales tax collections ended at \$8,548,767, up \$907,111 or 12%. The six month average is at 13.8%, which was an increase of 10.5% when compared to a year ago. MTD county sales tax collections were at \$110,818 with the YTD total at \$1,076,744.

The report of top ten quarter-to-date (QTD) sales tax collections by classification was up \$285,451 or 14%. The largest percentage increases were in electronic shopping at 99%, accomodation at 59%, and merchant wholesalers at 45%. These top ten represent 72% of the total sales tax collections for the running quarter.

The portfolio of certificates of deposit on December 31, 2021 totaled \$10,000,000 with a weighted average interest rate of .05% down .56% from a year ago. The total par value of the US Treasury Notes is \$32,454,000 with a weighted average yield to maturity of .23%. The total balance of the Money Market account on December 31, 2021 was \$23,750,000, with a current yield of .05%. Total investments are up \$14,376,248.

Mr. Rupp reviewed the summary of general fund revenue and expenditures for year ended 2021. He noted that the numbers are unaudited at this point. Total operating expenditures, which does not include the transfer to Commission Capital Reserve, finished the year \$575,000 under budget. Total revenues ended the year \$2,045,000 over budget, with \$554,000 of that attributable to ARPA funding and \$907,000 to sales tax. This contributes to the ability to increase the transfer into Commission Capital Reserves from the budgeted amount of \$1,141,000 to \$1,600,000. Budget constraints do not allow us to transfer any more than that. Therefore, the unreserved fund balance stays at a very strong \$3,900,000 which should contribute to increased reserve transfers for 2022.

Shaun Musil moved, Sandy Jacobs seconded, to approve the Financial Report for the month of December, 2021 as presented.

Vote: Ayes: Mason Ruder  
Michael Berges  
Shaun Musil  
Sandy Jacobs  
Reese Barrick

**4. CITIZEN COMMENTS:** There were no comments.

**5. CONSENT AGENDA:** A. Approve Resolution No. 2022-005 adopting the City of Hays City Commission Rules of Procedure and repealing all previous resolutions, motions, or actions in conflict therewith.

B. Approve the Cereal Malt Beverage License for Big Smoke BBQ.

Sandy Jacobs moved, Shaun Musil seconded, to approve the Consent Agenda as presented.

Vote: Ayes: Mason Ruder  
Michael Berges  
Shaun Musil  
Sandy Jacobs  
Reese Barrick

## **NEW BUSINESS**

**6. USD 489 REQUEST FOR SALES TAX BALLOT INITIATIVE:** Ron Wilson, USD 489 Superintendent, stated the USD 489 Board of Education is requesting that the City consider an election for a special purpose sales tax to be used to reduce the property tax requirement associated with the USD 489 bond project.

Mr. Wilson stated the district does have aging facilities, but ultimately what this bond issue is about, is creating space at all grade levels for our enrollments. He shared statistics showing that all the USD 489 schools since 2006, except for Lincoln Elementary, have more students than the capacity for which they were built and enrollments are predicted to continue to grow.

Mr. Wilson stated the proposed bond scope is to consider \$143.5M over a 30 year period. The plan includes:

- Building a new high school east of the current high school where the school district owns 41 acres.
- Moving the middle school to the existing high school with renovations.
- Converting the existing middle school into an elementary school.
- Renovating Roosevelt and O'Loughlin Elementary Schools.
- Moving Rockwell Administrative Center and Westside Alternative School to Wilson Elementary.
- Closing Lincoln Elementary and the Rockwell Administrative Center.

Mr. Wilson noted that the Hays School District receives no state aid for new building construction because it is considered a "property wealthy" district. He added that other Western Athletic Conference member schools including

Dodge City, Garden City, Great Bend, and Liberal all receive state property tax dollars for their school's bond capital improvements.

Mr. Wilson reviewed the details of their request asking the City to consider calling a special question election:

- A request for a one-half cent (.5%) special purpose sales tax to be used for educational purposes in completing new and renovated infrastructure for the school district.
- This sales tax would only be used for bond repayment for the bonds issued.
- This sales tax would be for an initial term of 10 years, commencing October 1, 2022.
- The intent would be for a future USD 489 Board of Education to request to a future City Commission the extension/renewal of the sales tax until bonds for the project are repaid in full.
- This school bond project would not be contingent upon the sales tax question passing.
- This Special Purpose Sales tax would be contingent upon the school bond project passing.

Commissioner Berges asked for clarification on voting requirements and how the ballot would read. Mr. Wilson stated it will require a walk in ballot; mail in ballots will not be accepted. Registered voters that live in the city limits and within the school district boundaries can vote on the school bond question and sales tax question. Registered voters living outside the city limits, but within the school district boundaries can only vote on the school bond project.

Commissioner Musil stated one of his initiatives since being on the City Commission is to grow Hays, and we won't grow if we don't make improvements to our schools.

Mayor Ruder stated it has been 40 years since the last major construction and a lot has changed in technology and how students learn. He thinks people are realizing if we want our community to thrive we need to provide our children the space to learn and grow and prosper.

Commissioner Jacobs stated she supports this bond issue and feels the Commission has an obligation to allow the citizens to make the decision on how to handle this.

Commissioner Berges asked who will fund the actual election. Mr. Wilson stated he believes the School District will incur the costs of the election. Commissioner Berges agreed that the citizens should be allowed to make this decision.

Michael Berges moved, Shaun Musil seconded, to approve Resolution No. 2022-006 authorizing and providing for the calling of a special question election in the City of Hays, Kansas to impose a one-half percent (0.5%) citywide retailers' sales tax for the purpose of assisting Unified School District No. 489 in the repayment of the principal of and interest on General Obligation Bonds to be issued by the District.

Vote: Ayes: Mason Ruder  
Michael Berges  
Shaun Musil  
Sandy Jacobs  
Reese Barrick

**7. LARKS PARK FOUL BALL SAFETY NET – AWARD OF BID:** Jeff Boyle, Director of Parks, reported that the Larks Park foul ball safety net has been problematic since it was installed in the early 2000's and needs replacement. An amount of \$18,577.10 was received from the City's insurance company, following a spring 2021 storm event, and an additional \$55,000.00 is budgeted in the 2022 Special Park and Recreation Budget to install new poles and net.

Two bids were received for the installation of a foul ball net and poles. Staff recommends accepting the low bid from West Coast Netting, Inc. for an amount of \$69,800.00.

Sandy Jacobs moved, Michael Berges seconded, to approve the installation of a foul ball net and poles from West Coast Netting, Inc, for an amount of \$69,800.00, plus \$3,777.10 contingency for unknowns, for a total

amount of \$73,577.10 using \$18,577.10 from the Park Improvement Fund and \$55,000 from the Special Park and Recreation Fund.

Vote: Ayes: Mason Ruder  
Michael Berges  
Shaun Musil  
Sandy Jacobs  
Reese Barrick

**8. 2022 STREET MAINTENANCE PROGRAM – AWARD OF BID:** Jesse Rohr, Director of Public Works, reported that each year staff evaluates the condition of city streets and develops a maintenance program that is brought forward for Commission consideration. Staff utilizes traffic counts, the latest pavement condition assessment, past maintenance treatments, public input, and available budget in developing the program.

Bids for the 2022 Street Maintenance Projects were opened on January 18, 2022. The projects bid with this year’s program include seal coat, polypatch, reconstruction of two concrete alleys, reconstruction of 22nd Street from Allen to Vine, bridge deck patching, and sidewalk construction. Bids were received from ten different contractors and staff recommends entering contracts with the low bidders for all projects. The projects awarded would be accomplished at various locations at various times throughout this year. The total of the low bid contracts being recommended would be \$705,003.98 to be funded out of Special Highway.

Mr. Rohr stated in 2022 there is a little over \$1M budgeted for street maintenance with funding sources shown below:

Special Highway

State Gas Tax Refund (KDOT)	\$ 533,430
Connecting Link Maintenance (KDOT)	\$ 74,500
Transfer from General Fund	\$ 200,000
Federal Aid (ARPA Funding)	\$ 110,984
Cash Carryover	\$ 197,808
<u>Contingency (keep for unforeseen expenses)</u>	<u>\$ -(50,000)</u>
Total Available	\$1,066,722

Staff recommends entering contracts for construction as follows:

- Circle C Paving and Construction, LLC in the amount of \$213,194.88 for seal coat;
- Stripe & Seal in the amount of \$30,500.00 for polypatch;
- T&T Builders in the amount of \$124,053.35 for reconstruction of the Sip-n-Spin and Bus Barn alleys;
- T&T Builders in the amount of \$175,420.00 for reconstruction of 22nd Street from Allen to Vine Street;
- PCI Roads in the amount of \$148,260.75 for partial depth concrete removal and replacement for three bridge decks including the bridge on East 17th Street, just east of Harvest Drive; the bridge on West 37th Street over Lincoln Draw; and the bridge on Willow Street over Skyline Draw;
- T&T Builders in the amount of \$13,575.00 for sidewalk construction along Mopar Drive;

All to be funded out of Special Highway Budgeted Projects, with the exception of \$14,000.00 for a sewer manhole replacement in the Sip-n-Spin alley which will be funded out of sewer capital.

Mr. Rohr stated there is a balance remaining of just over \$281,000.00. Staff is in the process of bidding out additional projects to spend the remaining funds and will bring those to the Commission in March for consideration of award. Those projects will include curb and brick repair in various areas, and sidewalk along West 27th Street.

Reese Barrick moved, Sandy Jacobs seconded, to authorize the City Manager to enter contracts for construction as presented, in the amounts specified, to be paid out of the funds identified by staff.

Vote: Ayes: Mason Ruder  
Michael Berges  
Shaun Musil  
Sandy Jacobs  
Reese Barrick

**9. COMMISSION INQUIRIES AND COMMENTS:** Commissioner Barrick stated he enjoyed touring the City Departments. He added that he is impressed with the City's budgeting process and the fact that money is saved for future projects so funds are available when needed. He also stated he is happy to support the school bond by allowing the citizens to make the decision of how they would like to fund the school improvements.

Commissioner Jacobs stated she personally supports the school bond project and thanked everyone involved in the process.

Commissioner Musil thanked the Bond Visioning Committee for all of the work they have done and he hopes the community supports the bond project. He added that if the City's sales tax would go up to 9.25% he feels that our tax rate would still be comparable to our peer communities.

Vice-Mayor Berges stated he will vote in favor of both the school bond and use of a .5% sales tax. He feels it makes sense using the sales tax to diversify that stream of repayment for the school improvements across a larger base, including both online and in store shopping. It allows people that own property not to carry the full burden. He added that we have to have quality schools on par with our peer communities to be able to attract people.

Mayor Ruder voiced his support of both initiatives as well. He stated we are seeing new homes being built, the school bond initiative, and many businesses are growing in Hays. He added that it is wonderful to see this kind of investment being made in our community. He appreciates the collaboration between the School Board and the Ellis County Commission and he is excited for the future.

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

Submitted by: \_\_\_\_\_

Brenda Kitchen – City Clerk