

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON FEBRUARY 25, 2021

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, February 25, 2021 at 6:30 p.m.

Roll Call: Present: Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil
Absent: Sandy Jacobs

Vice-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 28, 2021; 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 January 31, 2021.

Month-to-date general fund sales tax collections were at \$638,733, which was an increase of \$170 or .03% as compared to last year. The six month average is at 2.47% which was a decrease of 2.5% when compared to a year ago. Month-to-date county sales tax collections were at \$74,637.

The report of top ten quarter-to-date sales tax collections by classification was down \$205,555 or -9%. Most categories shared in that drop across the top ten.

The portfolio of certificates of deposit on January 31, 2021 totaled \$47,650,421.70 with a weighted average interest rate of .45% down 1.66% from

a year ago. The total balance of the Money Market account on January 31, 2021 was \$6,750,000 with a current yield of .05%.

Ron Mellick moved, Shaun Musil seconded, to approve the financial statement for the month of January, 2021 as presented.

Vote: Ayes: Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: The following appointments were recommended by Mayor Jacobs at the January 28, 2021 City Commission meeting and are now being presented for approval.

CARE Council

Kimberly Thomason – two-year term to expire February 25, 2023 (4th term)

Hays Convention and Visitors Bureau Advisory Committee

Natashia Cecil (Holiday Inn Express & Suites) – three-year term to expire February 25, 2024 (1st term)

Molly Gauger (At-large Position) – three-year term to expire February 25, 2024 (2nd term)

Stacey Smith (FHSU Tourism & Hospitality) – three-year term to expire February 25, 2024 (5th term)

Angelica Southard (Hampton Inn) – three-year term to expire February 25, 2024 (1st term)

Teegan Zachary (Quality Inn) – three-year term to expire February 25, 2024 (1st term)

Shaun Musil moved, Michael Berges seconded, to approve the Consent Agenda as presented.

Vote: Ayes: Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

NEW BUSINESS

6. WATER CONSERVATION UPDATES AND 2021 PROGRAMS: Holly Dickman, Water Conservation Specialist, provided an update on the Water Conservation Program and results from 2020.

Ms. Dickman stated high efficiency toilet rebates remained the most popular program of 2020 with 351 toilets being replaced. \$50,000 was budgeted for toilet rebates and \$34,839.65 was paid out. The potential water saved from this program is 2,584,712 gallons or 7.9 acre feet of water. She also reviewed the results of the washing machine and turf conversion rebate programs and the showerhead replacement program.

Ms. Dickman noted that 2020 was a difficult year and many programs were modified, delayed, or cancelled due to the pandemic. In 2020, TV and radio continued to be a big part of the educational outreach/awareness efforts using both traditional and digital media. Social media, including Facebook, Twitter, and Instagram are also being used. Ms. Dickman noted that followers are growing as information regarding water conservation, water leaks, and upcoming events is shared.

Ms. Dickman stated after schools shut down in March of 2020 and events were cancelled, she created a “Just for Kids” web page under the educational resources section of the Water Conservation website and promoted it on social media. She stated getting people to be aware of the value of clean, safe water is always a goal, and the more they value water the more they will want to conserve.

7. BICKLE-SCHMIDT SPORTS COMPLEX SHADE STRUCTURES – AWARD OF BID: Jeff Boyle, Director of Parks, reported that City staff prepared a Request for Proposal (RFP) for new shade structures at the Bickle-Schmidt Sports Complex as directed by the Hays City Commission. Mr. Boyle noted that not enough shade is the number one complaint about the Bickle-Schmidt Sports Complex.

The new shade structures would be located behind each backstop on all eight fields, and would provide approximately 2,130 square feet of shade per field, which is three times more than the existing structures. Additionally, the proposed design provides a continuous roof over the entire length of the structure which eliminates openings where sun can shine through at varying angles. The proposed structure is wooden framed with a painted metal roof and painted metal ceiling. The sheeted ceiling will ensure that birds do not nest in open cavities above the bleachers and will provide a more aesthetically pleasing experience.

Mr. Boyle stated five proposals were received. City staff recommends approval of the low bid from Quality Structures, Inc. for an amount of \$451,280, with funding from the Ellis County ¼ Cent Sales Tax.

Shaun Musil moved, Ron Mellick seconded, to approve the low bid from Quality Structures Inc. and authorize the City Manager to sign contracts for the installation of eight shade structures at the Bickle-Schmidt Sports Complex for an amount of \$451,280, to be paid from the Commission Capital Reserve.

Vote: Ayes: Mason Ruder

Michael Berges

Ron Mellick

Shaun Musil

8. RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL

OBLIGATION BONDS, SERIES 2021-A: Kim Rupp, Director of Finance, stated City staff; City Financial Advisor, Stifel, Nicolaus & Company; and City Bond Counsel, Gilmore Bell, have been working on documentation in preparation for the sale of General Obligation (GO) Bonds, Series 2021-A. This issue is to reimburse expenditures in connection with the North Vine Street Corridor Project.

The City's share of the North Vine Street Corridor project costs were initially paid to Kansas Department of Transportation (KDOT) in May 2020 from available Capital Projects funds. Using those funds and the BUILD Grant, KDOT has been paying project costs as incurred. After construction, KDOT will audit the project and credit or bill the City for any change orders or variations in cost. Also

in May 2020 the City Commission passed Ordinance No. 3982 designating certain City streets as main trafficways, as the first step in authorizing the North Vine Street Corridor Project for GO bond financing under Kansas law. The second step of the process set forth in Kansas law involves adopting a resolution authorizing GO bond financing for the project. The resolution authorizes the Financial Advisor, Bond Counsel, in conjunction with the Finance Director, to proceed with the preparation and distribution of a preliminary official statement and notice of bond sale, and all other preliminary action necessary to sell the GO bonds.

Mr. Rupp stated the total par amount of the bond issuance is estimated to be \$6,795,000. This reimburses the City for its share of the project as well as covers the paying agent, Kansas Attorney General, CUSIP Service Bureau, Bond Counsel, Financial Advisor, the rating agency, and publication and printing. True interest cost is estimated to be 1.77%, which is subject to change based on market conditions on the date of sale with an estimated debt service of \$338,553 beginning in 2022 to be paid from the additional 2% Transient Guest Tax (TGT) that went into effect on October 1, 2018. It is suggested that a sinking fund will be used to capture any excess TGT over and above the annual debt service to use toward future payments, thereby reducing interest costs and/or term of the bonds as they become available for early retirement. That early retirement can begin in about 10 years.

Michael Berges moved, Ron Mellick seconded, to approve Resolution No. 2021-004 authorizing the offering for sale of General Obligation Bonds, Series 2021-A.

Commissioner Mellick noted that there will be no general fund dollars used to pay for this project and that it will be paid from Transient Guest Tax funds. Mr. Rupp stated the transient guest tax funds would be used to pay for this with the caveat that it is a general obligation of the City and should TGT funds fall short, general funds would be used, but they feel the TGT should be able to handle the payments.

Vote: Ayes: Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

9. ORDINANCE AMENDING D&J LAND AND DEVELOPMENT COMMUNITY IMPROVEMENT DISTRICT (CID) START DATE AND DEVELOPMENT

AGREEMENT: Kim Rupp, Director of Finance, stated on March 2, 2020 the City Clerk received a petition to create the D&J Land and Development CID. On May 14, 2020, the City Commission passed Ordinance No. 3984 authorizing the projects described in the petition, creating the D&J Land and Development CID, and imposing a 2.0% CID sales tax to commence on April 1, 2021.

Also on May 14, 2020, the City Commission entered into a development agreement with D&J Land and Development, LLC. The development agreement also defined the CID term as commencing on April 1, 2021.

KSA 12-6a26 authorizes the City Commission to create CIDs to finance projects within defined areas of the City and to levy a CID sales tax on the property for a period not to exceed 22 years. Given the start date of the D&J Land and Development CID was well defined as April 1, 2021 in the ordinance and the development agreement, statute requires the clock begin on that date. Following the passage of Ordinance No. 3984 and the development agreement, the developer realized the 22 year clock on the approved CID would begin prior to their project completion. Therefore, to maximize the full revenue potential from the CID, D&J Land and Development, LLC has requested the ordinance and development agreement be amended to reflect a new CID start date of October 1, 2021. This has been done for one other CID in the past and does not present any other legal or financial considerations. City staff recommends passage of the ordinance as it will maximize the revenue potential of the CID as initially intended by the City Commission.

Shaun Musil moved, Michael Berges seconded, to approve Ordinance No. 3994 amending Ordinance No. 3984 of the City of Hays, Kansas, to commence a Community Improvement District Sales Tax on October 1, 2021 and approve the

first amendment to the development agreement with D&J Land and Development, LLC.

Vote: Ayes: Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

10. CITY MANAGER EMPLOYMENT AGREEMENT – 13TH ADDENDUM: The City Commission, upon the completion of a performance evaluation of the City Manager, has requested that the attached Thirteenth Addendum be attached to the City Manager’s existing Employment Agreement.

Ron Mellick moved, Shaun Musil seconded, to approve the Thirteenth Addendum to City Manager Toby Dougherty’s Employment Agreement with the City of Hays dated June 28, 2007, as presented.

Vote: Ayes: Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

11. PROGRESS REPORT: Assistant City Manager, Collin Bielser, presented a monthly report of city-related activities, services, and programs.

12. COMMISSION INQUIRIES AND COMMENTS: Commissioner Mellick thanked City staff that worked outside in the recent frigid temperatures to keep the city running smoothly.

Commissioner Musil asked what conservation measures the City took to conserve energy during the recent cold spell. City Manager, Toby Dougherty, stated when Midwest Energy asked customers to cut back on usage in order to decrease the load, thermostats were turned down and some lights turned off in all City buildings. He noted that Jeff Crispin, Water Resources Director, took the Water Reclamation Facility and Water Treatment Facility off line and ran them on generators to decrease the load. He added that it was also a good test to run the full systems at length on a generator.

Commissioner Berges congratulated the Fort Hays State Lady Tigers for their recent win as MIAA champions. He also congratulated Sarah Zimmerman who is wrestling for a state title.

Vice-Mayor Ruder also thanked City staff for everything they did to help the citizens of Hays through the recent record breaking cold spell.

13. Executive Session: Ron Mellick moved, Shaun Musil seconded, that the Governing Body recess to executive session at 7:25 p.m. for a period not to exceed 10 minutes to discuss matters pertaining to the acquisition of real property. K.S.A. 75-4319 authorizes the use of executive session to discuss the topics stated in the motion. The executive session included the City Commission, City Attorney, City Manager, Assistant City Manager, and the Director of the Hays Regional Airport.

Vote: Ayes: Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

The meeting was adjourned at 7:35 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk