

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON MARCH 24, 2022

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, March 24, 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.

Mayor Ruder thanked Hays Police Department, Sergeant Jason Boncznski, for saving an infant's life. Sergeant Boncznski was first on scene after receiving a report of an infant child not breathing. Sergeant Boncznski performed CPR on the infant until the baby was breathing on its own. Mayor Ruder commended him for this heroic act.

2. MINUTES: There were no corrections or additions to the minutes of the regular meeting held on March 10, 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 February 28, 2022.

Month-to-date (MTD) general fund sales tax collections were at \$846,477, which was another incredible increase of \$133,616 or 19% as compared to last year. Year-to-date (YTD) general fund sales tax is at \$1,581,008 up \$229,414 or 17% from a year ago. The six-month average is at 17.6%, which was an increase of 18.4% when compared to a year ago. MTD county sales tax collections were at \$102,606 up \$16,000 or 18% from a year ago. YTD county sales tax is at \$191,563.

The report of top ten quarter-to-date (QTD) sales tax collections by classification was up \$421,139 or 19%. The largest percentage increases were in electronic shopping at 142%, accommodation at 85%, and restaurants at 24%. These top ten represent 73% of the total sales tax collections for the running quarter. Mr. Rupp noted that he has been running this report since 2011 and this QTD report is the first to have all categories reporting a positive trend.

The portfolio of certificates of deposit on February 28, 2022 totaled \$10,000,000 with a weighted average interest rate of .05%, down .28% from a year ago. The total par value of the US Treasuries is \$53,454,000 with a weighted average yield to maturity of .38%. The total balance of the Money Market account on February 28, 2022 was \$3,500,000 with a current yield of .05%. Total investments are up \$9,401,096.

Shaun Musil moved, Reese Barrick seconded, to approve the Financial Report for the month of February 2022 as presented.

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

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: Due to his lack of attendance at the CARE Council meetings, it is being recommended that Samuel Allen be replaced on the CARE Council. The following appointment was recommended by Mayor Ruder at the March 10, 2022, City Commission meeting and is now being presented for approval.

CARE Council

Brett Gerber – two-year term to expire March 24, 2024 (1st term)

Sandy Jacobs moved, Michael Berges seconded, to approve the Consent Agenda as presented.

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

NEW BUSINESS

6. 2022 STREET MAINTENANCE PROGRAM – AWARD OF BID FOR EXTRA

WORK: Jesse Rohr, Director of Public Works, stated at the February 10, 2022 City Commission meeting, the Commission awarded just over \$705,000.00 in various street contract work, which when added to in-house work, the pavement assessment study, and sidewalk rebate program funds, left a remaining balance of about \$281,000.00 in the Special Highway fund for additional projects.

The additional 2022 street maintenance projects include sidewalk along the north side of West 27th Street from Thunderbird Drive to Englewood Drive, as well as curb and brick repair projects at six locations. Bids from three different contractors were opened on March 1, 2022, and staff recommends entering contracts with the low bidder. The total of the low bid contracts being recommended is \$299,787.15.

Sandy Jacobs moved, Shaun Musil seconded, to authorize the City Manager to enter contracts for construction as follows:

- J Corp in the amount of \$56,026.65 for sidewalk along West 27th Street.
- J Corp in the amount of \$243,760.50 for curb and brick repair.

All to be funded out of Special Highway.

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

7. SANITARY SEWER POINT REPAIRS – AWARD OF BID: Jeff Crispin, Director of Water Resources, stated there are several areas in the City of Hays where sanitary sewer lines need repaired because of cracks, holes, or off-set joints. For 2022, the Sanitary Sewer Point Repair Project includes 39 locations where a repair needs to be made to ensure the integrity of the sewer line. Cracks and holes can impede the flow of sewer and allow inflow (stormwater) or infiltration (groundwater) to enter the sewer system and add additional load to the Water Reclamation and Reuse Facility.

City staff solicited bids to perform spot repairs of sanitary sewer through both internal patching and dig and replace methods. Bids were received on February 22, 2022 from two bidders, with the low bid coming from Utility Solutions of Basehor, Kansas in the amount of \$200,404.60. Due to the low bid amount of \$200,404.60 being below the budgeted amount of \$300,000.00, the City Project Manager has reached out to Utility Solutions to inquire if the contractor would perform additional work at the unit cost provided, up to the budgeted amount of \$300,000.00. If approved by the Commission, the contractor would accept 15 additional repair locations.

Michael Berges moved, Sandy Jacobs seconded, to authorize the City Manager to enter a contract with Utility Solutions, in an amount not to exceed \$300,000.00, for Sanitary Sewer Point Repairs, to be funded from Water Reclamation Reserves.

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

8. SELF-CONTAINED BREATHING APPARATUS (SCBA) EQUIPMENT – AWARD OF BID: Ryan Hagans, Fire Chief, stated the 2022 Budget includes the scheduled replacement of the department’s Self-Contained Breathing Apparatus (SCBA) systems. The SCBA equipment was originally purchased in 2008 and the parts are becoming obsolete. He added that SCBA safety recommendations

have become more advanced over the last 14 years. Chief Hagans stated that for the safety of our staff, we need to keep up with these advancements. This purchase will include 30 complete SCBAs and two Rapid Intervention Packs.

City staff solicited bids and received one proposal from Conrad Fire Equipment in the amount of \$262,022.53.

Reese Barrick moved, Shaun Musil seconded, to approve the bid from Conrad Fire Equipment for an amount of \$262,022.53, for the replacement of SCBA equipment, to be funded from the Fire Department's portion of the Public Safety New Equipment Reserve Fund.

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

9. EAST FRONTIER PARK PARKING LOT – AWARD OF BID: Jeff Boyle, Director of Parks, stated that East Frontier Park is the most popular park area and houses the most reserved park shelter in the City's park system. The existing parking lot at this location consists of gravel and dirt and is unusable after moisture events due to standing water which creates muddy conditions. City staff budgeted \$40,000.00 in the Special Park and Recreation Budget to pay for concrete surfacing and drainage lines to correct the issue. One bid was received from J Corp in the amount of \$26,700.00.

Shaun Musil moved, Michael Berges seconded, to approve the low bid from J Corp for an amount of \$26,700.00, from the Special Park and Recreation budget, for the installation of a new parking lot in East Frontier Park.

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

10. AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HAYS AND HAYS MALL, LLC:

In 2014, the City Commission approved a Community Improvement District (CID) for the Big Creek Crossing property, formerly known as The Mall. The agreement authorizes an additional one cent sales tax to be collected on the mall property for up to 22 years. The CID sales tax is used to reimburse the mall property owners for various improvement projects up to \$3.1 million in eligible costs. The original Development Agreement listed a number of Phase 1 and Phase 2 improvements, along with completion dates, to be deemed eligible for reimbursement. These included lighting, flooring, façade, and other improvements to the property. The property owners completed and are in the process of being reimbursed for all improvements in Phase 1 and Phase 2 of the agreement, except for \$1 million that was identified as an interior refinish to accommodate a large retailer. To date, the City has approved \$2 million in Phase 1 and Phase 2 eligible costs, of which the owners have been reimbursed \$1.33 million from CID proceeds.

Toby Dougherty, City Manager, stated that City staff has received a request from The Mall's owner asking for a modification to the Development Agreement that would allow them to be reimbursed for up to \$1 million for the cost of improving the north end of the facility to accommodate the forthcoming Ollie's Bargain Outlet. The property owners have identified improvements to the interior of the facility, HVAC system, exterior, and parking lot that could exceed \$1 million. He added that this does not change the original CID terms, this would simply extend the \$1 million reimbursement deadline. The owner is asking for an 18-month extension from the time this is approved due to HVAC supply chain issues. They intend to make the improvements as quickly as possible.

Sandy Jacobs moved, Michael Berges seconded, to approve Resolution No. 2022-007 modifying the CID Development Agreement between the City of Hays and Hays Mall, LLC.

Commissioner Barrick asked if the owner could ask for other improvements in the future. Mr. Dougherty stated they could not under this CID agreement. He added that if the Commission approves this amendment, it would

totally enact this agreement so they couldn't ask for another modification because this improvement is already taking place, they would have to request a new CID.

Commissioner Jacobs stated she is in favor of this amendment. She added that everyone would like to see more improvements at the mall and believes Ollie's Bargain Outlet will be a great addition. She clarified that this is not costing the City a dime. If someone wants to shop at the mall and pay the extra sales tax, that is the choice they make. She feels that the worst thing that could happen would be for the mall to set empty, especially at that location on Vine Street.

Commissioner Musil stated he feels like the owners do the bare minimum and are difficult to work with, but the mall does bring in sales tax dollars. The goal was to keep the mall open and he is glad it is still there; but added, that it is just too much baggage behind the scenes with these guys and he can't vote for it.

Vice-Mayor Berges stated that the mall tenants have the most to lose by not extending this. He wanted to clarify the misunderstanding about how a CID works. The CID is simply a collection mechanism for the business. There is no direct financial impact to the City or the taxpayers. They are collecting that one cent sales tax off their own shoppers so if this is something you don't like, then don't shop there. He added that he does remain frustrated with the mall owners.

Mr. Dougherty stated this is the only CID the City has for an existing business, not a new business being created. He believes City staff has learned a few things and if we do have another similar situation, we now know what questions to ask them, that we didn't at the time.

Mayor Ruder understands the frustration with the mall owners; however, he would like to let it continue and potentially drive the extra traffic that Ollie's Bargain Outlet generates to the other merchants in the mall.

Commissioner Barrick agreed that he does not want to hurt the other businesses at the mall. He stated that those businesses would have been helped if the owners had done their due diligence and taken care of the mall and brought

in more businesses. He understands that malls everywhere are struggling, and the trend is cycling away from malls and to downtowns.

Vote: Ayes: Mason Ruder
Michael Berges
Sandy Jacobs
Reese Barrick
No: Shaun Musil

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

12. HAYS HAPPENINGS / UPCOMING EVENTS: Collin Bielser, Assistant City Manager, presented information on events that will be going on in Hays during the month of April.

13. COMMISSION INQUIRIES AND COMMENTS: Commissioner Barrick stated this is a fun time of year and there are a lot of things going on in Hays.

Commissioner Jacobs stated the Kansas Mission of Mercy (KMOM) free dental clinic will be held at the fairgrounds in Hays this weekend. She added that they have 509 people from Hays and the surrounding area that have volunteered their time to help with this event. At this point over 700 people will be given free dental services. This is an amazing event, and she is proud of our community and everyone that has helped make this happen.

Vice-Mayor Berges reminded everyone that the 27th Street construction begins on Monday, March 28th and to be prepared to alter your route to avoid that area during construction.

Mayor Ruder welcomed the volunteers for the KMOM dental clinic and thanked them for what they are doing. He also reminded everyone to register to vote, to get informed about the USD 489 Bond issue, and to vote on May 10, 2022.

The meeting was adjourned at 7:23 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk