

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON MAY 9, 2019

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, May 9, 2019 at 6:30 p.m.

Roll Call: Present: Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

Mayor Schwaller 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 April 25, 2019; the minutes stand approved as presented.

3. CITIZEN COMMENTS: There were no comments.

4. CONSENT AGENDA: A. Approve the Cereal Malt Beverage License for Disabled American Veterans Bike Show and Swap Meet.

B. The following appointment was recommended at the April 25, 2019 City Commission meeting and is now being presented for approval.

Hays Convention and Visitors Bureau Advisory Committee – three-year term

Reese Barrick (Sternberg Museum) – term to expire December 1, 2021 (4th term)

C. The following proposed appointment will be presented for approval at the May 23, 2019 City Commission meeting.

Hays Convention and Visitors Bureau Advisory Committee – three-year term

John Griffith (Comfort Inn & Suites North) – unexpired term to expire December 1, 2021 (1st term)

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

Vote: Ayes: Henry Schwaller, IV
Shaun Musil
Sandy Jacobs
Ron Mellick

NEW BUSINESS

5. 2019 WELL REHABILITATION – AWARD OF BID: Jeff Crispin, Director of Water Resources, reported that the Capital Improvement Plan (CIP) within the 2019 Budget includes \$48,000 for a project to hire a professional well service company to inspect, evaluate, and perform maintenance on six City production wells. City staff performs routine maintenance on wells by acidizing the wells in an effort to improve performance. When maintenance efforts can no longer improve the performance of the well, professional rehabilitation is necessary.

The contractor will be required to perform a pre-work performance test and then pull the pumps for inspection and make repairs as needed. A camera will be lowered into the well to inspect the screens at the bottom of the well. High pressure jetting, chemical treatment, and mechanical methods will be used to clean the screens and formations at the bottom of each well. The contractor has a larger selection of methods at their disposal. Once complete, the well will be performance tested and its efficiency compared to “like new”. For example, a well that was performing at 80% is now performing at 97% after rehabilitation.

Staff solicited bids for the 2019 Well Rehabilitation Project to perform maintenance on six City production wells. Bids were submitted by five contractors, with the lowest cost bid from Layne Christensen Company of Kearney, Nebraska in the amount of \$67,230. This bid is above the budgeted estimate of \$48,000. At the time the Project Sheet was created, Staff underestimated mobilization and materials costs. Staff feels the low bid is reasonable and there are adequate funds available.

Sandy Jacobs moved, Ron Mellick seconded, to authorize the City Manager to execute a contract with Layne Christensen in the amount of

\$67,230.00 for the 2019 Well Rehabilitation Project to be funded from the Projects Line Item in the Water Production and Distribution Budget.

Vice-Mayor Musil asked if in the future staff could ask for bids for two years. Mr. Crispin stated years ago sewer line cleaning was bid out for multiple years, but it was asked at that time that bids be taken each year to make sure we are getting competitive bids.

Vote: Ayes: Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

6. 2019 SIDEWALK PROJECTS – AWARD OF BID: Jeff Boyle, Director of Parks, reported that Rolling Hills Park, which is bordered by 41st Street to the north and Autumn Lane to the east, has no connecting sidewalks for pedestrian traffic. Sidewalks along this park's north and east borders would provide safe, uniform access for pedestrians traveling to and from the park as well as to the surrounding neighborhoods. The Capital Improvement Plan within the 2019 budget includes \$40,000 to construct the sidewalk.

At the December 6, 2018 work session, staff identified \$68,000 out of Special Highway Fund to construct sidewalk in various locations around the city where sidewalk does not currently exist. The Sidewalk Improvement Plan presented to the City Commission in February 2019, showed areas along 13th Street and Canterbury Drive and adjacent to the Hays Recreation Commission where sidewalk would be constructed in 2019.

On April 16, 2019, the City opened bids for the construction of sidewalk improvements at Rolling Hills Park, and various locations in the area of 13th Street and Canterbury Drive, and adjacent to the Hays Recreation Commission. The lowest bid came from DHC, LLC in the amount of \$26,841.90 for sidewalk at Rolling Hills Park and \$35,135.53 for sidewalk in the area of 13th Street and Canterbury Drive.

Ron Mellick moved, Shaun Musil seconded, to authorize the City Manager to approve purchase orders to DHC, LLC in the amount of \$26,841.90 for

sidewalk at Rolling Hills Park to be funded out of the Special Park and Recreation Fund and \$35,135.53 for sidewalk in the area of 13th Street and Canterbury Drive to be funded out of the Special Highway Fund.

Commissioner Jacobs commented that she is happy to see the sidewalks placed along 41st Street noting that there are a lot of people walking along there and it is a dangerous area.

Vice-Mayor Musil asked if our current policy requires that new developments put in sidewalks. City Manager, Toby Dougherty, stated in this case we are addressing past oversights, but our current Development Policy requires that sidewalks are put in on new developments. He added that in a residential area you have three years from 50% buildout to put the sidewalk in to eliminate these connectivity issues.

Commissioner Schwaller stated that he is one of 11 owners of the property at 13th Street and Canterbury Drive. He has heard concern that this sidewalk was being installed because he is on the Commission. He added that he did not ask for the sidewalk, he did not know about the sidewalk, and he doesn't actually want the sidewalk. He wanted the community to understand that he had nothing to do with this and he will abstain from the vote.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Ron Mellick

Abstain: Henry Schwaller, IV

7. GENERAL OBLIGATION BONDS, SERIES 2019A – ORDINANCE: Kim Rupp, Director of Finance, reported that a few weeks ago we were set to special assess two districts within the City of Hays. These bonds were to pay for the improvements to Heart of America Second Addition project costs totaling \$277,836.51 and King's Gate First Addition Park costs totaling \$82,163.49, as we had already been through the special assessment proceedings. There was a prepay period for these assessments and in fact Heart of America decided to prepay in full. We also had several owners in the King's Gate First Addition prepay totaling \$16,579.99 leaving a very small bond issue of \$65,000. Per state

statute, the City's only option for funding project costs for special assessment districts is a bond. Bank of Hays stuck with us and is willing to take the direct bond placement at the significantly reduced issue size.

Based on the bond bid results from David Arteberry with George K Baum and Associates it is now necessary to approve an ordinance authorizing and providing for the issuance of General Obligation Bonds, Series 2019A in the principal amount of \$65,000 with closing and delivery date expected May 29, 2019. The ordinance will authorize the bonds be issued to pay the costs of the improvements, allows us to levy special assessments, and directs City officials and staff to execute the necessary documents to complete the placement.

Ron Mellick moved, Henry Schwaller, IV, seconded, to approve Ordinance No. 3964 authorizing and providing for the issuance of General Obligation Bonds, Series 2019A in the principal amount of \$65,000.

Vote: Ayes: Henry Schwaller, IV

Shaun Musil

Sandy Jacobs

Ron Mellick

8. GENERAL OBLIGATION BONDS, SERIES 2019A – RESOLUTION: Kim Rupp, Finance Director, stated as part of the process to sell bonds to fund the reimbursement of expenditures for City improvements to the Special Assessment area in Hays, a resolution must be approved authorizing the sale of bonds as previously ordered by Ordinance and approving the Bond Purchase Agreement contained within the Resolution.

The Resolution includes a detail of the bonds including redemption, security, establishment of funds and accounts, application of bond proceeds, defaults and remedies, continuing disclosure, and other miscellaneous provisions.

Sandy Jacobs moved, Shaun Musil seconded, to approve Resolution No. 2019-008 prescribing the form and details of and authorizing and directing the sale and delivery of General Obligation Bonds, Series 2019A in the principal amount of \$65,000.

Vote: Ayes: Henry Schwaller, IV
Shaun Musil
Sandy Jacobs
Ron Mellick

9. SELECTION OF REPLACEMENT CITY COMMISSIONER: At the April 11, 2019 City Commission meeting, Commissioner James Meier announced that he had accepted a job offer and would be moving. His last meeting as City Commissioner was May 2, 2019.

Shaun Musil moved, Ron Mellick seconded, to appoint Eber Phelps for the replacement of Commissioner James Meier.

Vice-Mayor Musil commented that this is his least favorite job of being a Commissioner. He believes the people should vote for their elected officials, but Kansas statutes require the Commission make the appointment. He added that Eber Phelps cares so much about this community and he will do a great job.

Mayor Schwaller stated there are a lot of changes going on right now, and one of them is the City Manager is working solo. Assistant City Manager Jacob Wood recently resigned to accept a position in Salina. He added that bringing someone up to speed would be rather challenging for all of us at this point.

Vote: Ayes: Henry Schwaller, IV
Shaun Musil
Sandy Jacobs
Ron Mellick

10. COMMISSION INQUIRIES AND COMMENTS: Commissioner Mellick asked that a formal request be made to the Ellis County Commission asking for the City's share of the excess sales tax that was collected.

City Manager, Toby Dougherty, asked for a vote on that request to make it official.

Commissioner Mellick moved, Henry Schwaller, IV seconded, that the Ellis County Commission be contacted to request the City's share of the excess sales tax dollars collected.

Vote: Ayes: Henry Schwaller, IV
Shaun Musil
Sandy Jacobs
Ron Mellick

City Manager, Toby Dougherty, stated he would send a letter to the County Administrator with the Commission's request.

Commissioner Jacobs stated that Downtown Hays Development Corporation (DHDC) hosted the vendors for the Downtown Hays Market and it was exciting to see 40 people in attendance. She added that there are many new things coming to the market, and one of the most exciting changes is that DHDC has agreed to facilitate for those market vendors any online sales that they have. She explained that you can go online and select items from various vendors and DHDC will box it, ship it, and collect the sales tax. The vendors were thrilled and not only will it help them, but it will also help the City in the collection of sales tax.

Vice-Mayor Musil asked for an update on the new truck stop that is coming, noting that there is a sign on interstate advertising it.

City Manager, Toby Dougherty, stated that the City had been contacted several months ago about an entity wishing to develop the property into a travel plaza/hotel/restaurant. They were advised that there is a process to follow. The developer put forth a \$5,000 non-refundable deposit and signed a funding agreement with Grow Hays. They were put in contact with the City's Bond Counsel, Gilmore and Bell, P.C. to develop a term sheet that outlays the specifics of the project. That transitions into a formal application for economic incentives. He added that discussions have been held, but we do not have the necessary information to put the term sheet together at this time. It is in the developers hands at this point.

Mayor Schwaller clarified that this proposed development is located on the northwest corner of I-70 Exit 157 and across the street from Celebration Community Church.

The meeting was adjourned at 7:02 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk