

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON MAY 28, 2020

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, May 28, 2020 at 6:30 p.m.

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

Mayor Musil 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 May 14, 2020; 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 April 30, 2020.

Month-to-date general fund sales tax collections for April were at \$584,015 which was an increase of \$52,889 or 10% as compared to last year. Year-to-date collections are at \$2,550,788 up \$153,288 or 6.39%. The six month average is at 8.59% which is an increase of 5.66% when compared to a year ago.

The report of top ten quarter-to-date (QTD) sales tax collections by classification was up \$121,365 or 6.47%. The largest categorical increase was in new/used car dealers up 20% and building material/garden supply up 17%.

The portfolio of certificates of deposit on April 30, 2020 totaled \$53,050,000 with a weighted average interest rate of 1.79% down .67% from a year ago. The total of US Treasuries at par value is \$1,477,000 with a weighted average yield to maturity of 1.59%. The total balance of the Money Market

account on April 30, 2020 was \$9,000,000 with a current yield of .05%. That balance is in anticipation of the payment to KDOT for the North Vine Corridor Reconstruction. Total investments are up \$2,777,000 when compared to this time last year.

Ron Mellick moved, Michael Berges seconded, to approve the Financial Statement for the month of April, 2020 as presented.

Commissioner Berges clarified that this April report reflects February sales tax collections. Mr. Rupp noted that Staff had projected sales tax collections being down 20% due to the Covid-19 activity restrictions and he is happy to say the May report shows collections being down only 3.5% for March.

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

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: There were no items on the Consent Agenda for consideration.

NEW BUSINESS

6. 2019 AUDIT: As required by Kansas Statute, the City of Hays hires an outside firm to conduct an annual audit of City finances. The audit represents an unbiased opinion of business practices and the financial soundness of all City funds.

Kim Rupp, Finance Director, thanked his staff, Lori Hertel, Brenda Kitchen, Jami Breit, Rachel Albin, and Shanna Koster for all they do to ensure a clean audit.

Melissa Romme and Jami Benyshek of Adams, Brown, Beran, and Ball, presented the 2019 Audit to the Commission.

Sandy Jacobs moved, Mason Ruder seconded, to accept the 2019

Audit for the City of Hays as presented by Adams, Brown, Beran, and Ball.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Mason Ruder

Michael Berges

Ron Mellick

7. 230TH AVENUE AND 55TH STREET INTERSECTION IMPROVEMENTS –

KDOT AGREEMENT: John Braun, Project Manager, stated in 2013, Ellis County applied for and was awarded Economic Development funding from Kansas Department of Transportation (KDOT) in the amount of \$1.5M for improvements to the intersection of 230th Avenue and 55th Street just north of I-70 Exit 157. The proposed development of the Hays Truck Plaza Project prompted the annexation of property and right of way in the area of the Economic Development Project. In December 2019, the Ellis County Board of Commissioners requested that project sponsorship be transferred to the City of Hays. Because KDOT funds are involved, it is necessary for the City of Hays to manage this project. The City's role in this project is only management and oversight.

At the May 14, 2020 City Commission Meeting, Tax Increment Financing (TIF), Community Improvement District (CID) creation, and a Development Agreement were approved in support of the truck plaza and the 230th Avenue and 55th Street Project. The Economic Development Project covered under the KDOT Agreement includes grading, pavement, curb and gutter, storm sewer, sidewalk, and pavement markings to improve 230th Avenue from just north of the westbound I-70 ramps to approximately 1300 feet north of the intersection with 55th Street; and 55th Street from 230th Avenue to approximately 800 feet east.

To formalize the responsibilities of both the City of Hays and the Department of Transportation, KDOT has provided an agreement to be executed by the Mayor and the Secretary of Transportation. Mr. Braun reviewed the key elements of the agreement.

Construction is scheduled for 2021. The City of Hays has no monetary contribution to this project. Any costs exceeding the \$1.5M KDOT grant will be covered by D & J Land Development, LLC, under the Development Agreement.

Mason Ruder moved, Sandy Jacobs seconded, to authorize the Mayor to enter Agreement No. 121-20, with the Kansas Department of Transportation for the 230th Avenue and 55th Street Project.

Commissioner Mellick asked if the project would be completed in one construction season. Mr. Braun stated other projects in that area may overlap, but the KDOT project is to be completed in one year.

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

8. ORDINANCE TERMINATING THE HOME DEPOT TRANSPORTATION DEVELOPMENT DISTRICT (TDD):

Kim Rupp, Director of Finance, stated the current Home Depot Transportation Development District includes Home Depot, IHOP, Hampton Inn, Town Place Suites by Marriott, and JT Travel Plaza. A ¾% TDD sales tax in that district has been in place since April 1, 2005 garnering approximately \$3.2M for Phase 1 and a portion of Phase 2 improvements in that area. The ¾% outperformed initial projections and therefore the 2004 TDD bonds financing the Phase 1 improvements were called early and completed in January 2018 saving approximately \$356,000 in interest costs. Most recently the Commission approved a portion of Phase 2 improvements which included extending East 41st Street past Home Depot to the Vineyard Park entrance. That project is now complete and the TDD sales tax collected since the payoff of the TDD bonds was sufficient to reimburse the capital projects fund for the improvements. Therefore, it is now time to terminate the Home Depot Transportation Development District thus ending the ¾% TDD sales tax by passage of an ordinance. He clarified that the TIF still remains. Those bonds are being paid by the City's portion of the tax increment financing as well as a ½% of

the City's general fund sales tax in that district. Those bonds are scheduled to be paid out in 2024.

Michael Berges moved, Ron Mellick seconded, to approve Ordinance No. 3985 terminating the Home Depot Transportation Development District and TDD Sales Tax.

Mayor Musil clarified that when this TDD sales tax is terminated the sales tax will go down in this district .75 cents, and will go up .50 cents when the County sales tax begins October 1, 2020.

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

9. NORTH VINE STREET CORRIDOR PROJECT – AUTHORIZING GENERAL OBLIGATION BOND FINANCING: Kim Rupp, Director of Finance, stated as the North Vine Street Corridor Project gets underway, and due to the fact that expenditures up to this point have already occurred, it is necessary to authorize general obligation (GO) bond financing for these improvements by adopting a resolution.

The main trafficway act K.S.A. 12-685 allows for financing certain main trafficway improvements with GO bonds using a two-step process. The first step involves designating the streets as main trafficways. The City has previously designated the subject streets within the City as main trafficways in the North Vine project. The second step of the process involves adopting a resolution authorizing GO bond financing for the project. Pursuant to an agreement previously entered into between KDOT and the City, KDOT will administer construction of the project, and the City will provide a portion of the financing in the estimated amount of \$7,111,000. The City plans to initially pay such costs with available funds from Capital Projects and will later be reimbursed with proceeds of GO bonds, which are expected to be issued in late 2020 or early 2021. At such time, the Commission will consider an ordinance authorizing the

issuance of the GO bonds. The debt service for that issue will come from the Transient Guest Tax.

Ron Mellick moved, Michael Berges seconded, to approve Resolution No. 2020-012 authorizing general obligation bond financing for the main trafficway projects.

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

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

11. COMMISSION INQUIRIES AND COMMENTS: Mayor Musil stated that he hopes the community will continue to support the businesses on North Vine Street as the North Vine Street Corridor Project construction begins.

Vice-Mayor Jacobs agreed and she thanked John Braun, Project Manager, for everything he has done to keep the project going smoothly.

Mayor Musil stated he appreciates the County Health Department relaxing some of the Covid-19 restrictions, and he believes the public will still do the right thing and follow the CDC guidelines.

The meeting was adjourned at 7:20 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk