

City of Hays
City Commission
Work Session Notes

Thursday, June 18, 2020 – 6:30 p.m.

Present: Shaun Musil, Sandy Jacobs, Mason Ruder, Michael Berges, Ron Mellick, Toby Dougherty, Kim Rupp, and John T. Bird

June 4, 2020 Work Session Notes

There were no corrections or additions to the minutes of the work session held on June 4, 2020; the minutes stand approved as presented.

2021 Budget Presentations – Outside Agencies

The following agencies presented requests for Outside Agency funding in the 2021 Budget:

Grow Hays

Doug Williams, Grow Hays Executive Director \$100,000

Fort Hays State University Scholarship Program

Dr. Joey Linn, FHSU Vice President for Student Affairs
Dennis King, Assistant Vice President for Student Affairs \$100,000

Downtown Hays Development Corp. (DHDC)

Sara Bloom, DHDC Executive Director
Sarah Cearley, DHDC Board President \$53,655

CARE Council – Social Services/Special Alcohol Tax

Korinna Parker, CARE Council Chair
Erica Berges, Executive Director of United Way of Ellis County \$168,000

Note: A budget request was submitted for Alcohol Tax Funds in the amount of \$60,000; this request is not part of the Social Services, Economic Development, or Quality of Life Budgets.

Each organization thanked the City for their support, reviewed their past and future projects and programs and talked about the negative impact COVID-19 has had on their budgets.

The requests will be considered and voted upon during the budget process in July.

Property/Liability Coverage Renewal – 2020-2021

Kim Rupp, Director of Finance, reported the City's property/liability coverage is up for renewal on July 1, 2020. The company, Arthur J. Gallagher, provides oversight for the City as the insurance broker. Our broker had conversations with other insurance carriers and concluded that Midwest Public Risk (MPR), a Municipal Risk Pool, offered the lowest cost option for the renewal of the City's package.

The renewal for 2020/2021 amounts to \$245,345, an increase of \$17,117 as compared to last year. The outcome translates into a 7.5% increase. City staff recommends pursuing the 2020/2021 Property/Liability Coverage renewal with the incumbent.

Mr. Rupp stated MPR is a pool of public entities that includes cities, schools, counties, health departments, fire protection districts, ambulance districts, election boards, and housing authorities. Their services go beyond just property and liability coverage as they are a true risk prevention advisor. They also offer facility and work practice reviews and they offer online and site-based training, which our Police Department took advantage of this past year saving about \$2,000 in online training expenditures.

Charlie Herr, the City's Broker with Arthur J. Gallagher, joined the meeting by phone. Mr. Herr reviewed the policy renewal and the state of the industry as a whole. He noted that they are pleased with the renewal as the market is hardening at a very rapid pace. Covid-19 is projected to be the single greatest loss in the history of the insurance industry. He added that MPR has served the City well and will continue to serve the City well going forward both from a risk management standpoint and from a premium standpoint.

At the June 25, 2020 Commission meeting, Commissioners will be asked to authorize the City Manager to renew the 2020/2021 property/liability coverages with the MPR package in the amount of \$245,345.38 to be funded from the Intergovernmental Insurance and Surety line item.

ABEL Addition Final Plat

Jesse Rohr, Director of Public Works, stated the property, known as the proposed ABEL Addition, is under consideration for plat approval. The property is located on the west side of Vine Street at 37th Street. The property was formally the Ambassador Hotel that was demolished in 2017. This property was not previously platted, but as the North Vine Street Corridor Improvements were being designed and with all the changes to lots, rights of way, easements, and streets; staff determined that platting would be a benefit to all parties involved.

The plat includes four lots and incorporates the 37th Street right of way connecting Vine Street to Skyline Drive. The City of Hays and adjacent property owners have worked together to come up with a plat that incorporates the North Vine Street Corridor Project and increases the potential redevelopment of the existing sites. Staff, as well as the Hays Area Planning Commission, recommends approving the final plat as submitted. Platting will make it easier for development to occur on these four lots due to clearer legal descriptions of the boundaries and easements.

Commissioner Ruder asked if water and sewer connections will be available. Mr. Rohr stated the project includes water, sewer, and infrastructure for these properties and all of the lots would have access to utilities once the project is complete.

Commissioners will be asked to approve a resolution accepting the final plat of ABEL Addition at the June 25, 2020 Commission meeting.

Annexation of Property Located Near 33rd and Sherman Avenue

Jesse Rohr, Director of Public Works, reported V & E Properties LP, the owner of the property north of East 33rd Street and Sherman Avenue, has

submitted a signed consent to annex the property under K.S.A. 12-520(a)(7). The owner desires annexation to allow for development of the property and the ability to connect to City services. The land is contiguous to City limits and meets City requirements for annexation. Staff recommends annexing this property due to its proximity and the availability of City services and infrastructure necessary to serve this property.

This property has been owned by the current owner for many years and has been used as agriculture. Multi-family development has occurred to the east, and similar development on this parcel is expected once the property is annexed. This is the last portion of this property that needs to be annexed into the City which will allow future development.

Approval of the annexation will allow the property owner to receive full benefits of City services, including utilities and fire/police protection. The property owner plans to request a portion of the property be rezoned and platted to continue development.

Commissioner Berges asked if they can continue to farm the land after it is annexed into the City. Mr. Rohr stated they can and probably will on the portion that won't be developed.

At the June 25, 2020 Commission meeting, Commissioners will be asked to approve an Ordinance annexing the property located near East 33rd Street and Sherman Avenue to the City of Hays.

Ordinance Establishing the Tallgrass 2nd Addition Rural Housing Incentives District, Adopting the Development Plan, and Authorizing the Execution of the Development Agreement

Kim Rupp, Director of Finance, reported Heart of America Development Corporation, a Kansas not for profit corporation, submitted an application for economic incentives and the required application fee for a residential project and related infrastructure.

The Developer seeks to develop the street and infrastructure to serve the development of 75 residential lots generally located at the northeast corner of

22nd Street and Wheatland Avenue, with expected home values ranging from \$175,000 - \$225,000.

The Developer is requesting rural housing incentive district financing (RHID) on a pay-as-you-go basis. Developer estimates the RHID will generate approximately \$3,227,355 of revenue over the maximum 25-year term, which would be made available to reimburse Developer for RHID-eligible project costs.

The next step in the statutory process is to hold a public hearing to hear comments on the consideration of establishing the RHID, which is scheduled for next week. Following the public hearing, the Commission will consider an Ordinance establishing the RHID, adopting the development plan, and authorizing the execution of the development agreement. The development agreement is entered into between the City and the Developer to govern the rights and responsibilities of the parties.

Collin Bielser, Assistant City Manager, reviewed the primary elements of the Development Agreement. The Development Agreement establishes the expectations and responsibilities of each party.

All materials have been reviewed by the City's special legal counsel, Gilmore & Bell, P.C., and are found to meet all the requirements of Kansas law and the City's Economic Development Policy.

Vice-Mayor Jacobs asked how soon construction would begin. Doug Williams, representing Heart of America Development Corp., stated they have begun preliminary engineering work and they hope to begin construction as quickly as possible.

Mayor Musil asked what would happen if the Developer gets two years into the project and decide they want out. Mr. Williams stated the Developer would be in default of the agreement and the City could withhold RHID funds so the City would have no risk. City Attorney, John T. Bird, agreed and added if the Developer defaulted; the properties would be put on the tax rolls. If the taxes aren't paid, the properties would get sold for the taxes.

At the June 25, 2020 Commission meeting, Commissioners will be asked to approve the Ordinance establishing the Tallgrass 2nd Addition Rural Housing

Incentive District, adopting the Development Plan, and authorizing the execution of the Development Agreement.

Resolution Designating the City's Website as the Official City News Outlet

Collin Bielser, Assistant City Manager, reported that at the March 26, 2020 Commission meeting, the City Commission unanimously voted to adopt a Charter Ordinance allowing the City of Hays the ability to publish official notices via the City's website. Before a Charter Ordinance becomes effective, a 60-day protest period must elapse. With no protest petition received, Charter Ordinance No. 29 became effective on June 7, 2020. To complete the process of naming the City's website as the official City news outlet, a Resolution announcing the designation must be adopted.

Mr. Bielser stated on the City of Hays website there is a module called "News Flash", which allows people to sign up and receive notifications. A new category will be created called legal publications. These notices will remain on our website for two weeks. The average annual cost for legal publications and notices is \$9,400 and the City should see much of those savings.

At the June 25, 2020 Commission meeting, Commissioners will be asked to approve a Resolution designating the City website as the official City news outlet, and in limited circumstances, the Hays Daily News.

Initial Discussion on Utilization of ¼ Cent Sales Tax Proceeds

Toby Dougherty, City Manager, stated in April, Ellis County voters approved two ¼ cent County-wide sales taxes. The taxes will go into effect in October of this year and sunset September 30th of 2030. It is estimated that the proceeds from that tax will generate an additional \$700,000 of annual sales tax revenues. Since this is considered a general tax, the monies are not restricted and can be spent on whatever the Commission determines is the best utilization.

Commissioner Mellick stated he is concerned with how Covid-19 will affect the City of Hays and we may need this money to make up for lost sales tax revenue. He added that he would not want to designate that money for more than

one year at a time. He would like the Commission to review this each year during the budget process, because over the next 10 years the City's needs could quickly change.

Vice-Mayor Jacobs feels there is an opportunity to commit a portion of those dollars over a three year period, but she is not ready to make a decision at this time. She sees the money as windfall dollars and when she looks at windfall, she looks at opportunities. She would like to consider committing a portion of the annual amount to our quality of life issues.

Mayor Musil agreed that it would be foolish to commit these funds at this time not knowing what the future holds. He also would like to look at supporting some of the quality of life projects sooner than later if we have the funds.

Commissioner Ruder added that it will make the decision easier once they have actual numbers. He would like to see some of those projects prioritized.

Commissioner Berges agreed and added that future Commissions should be able to decide what to do with those funds.

City Manager, Toby Dougherty, noted the annual City budget is designed to keep a cushion in the general fund between what we collect and what we spend. The remaining monies are transferred to the Commission Capitol Reserve Fund and used to pay cash for big projects.

Other Items for Discussion

Vice-Mayor Jacobs stated she is thrilled to see that the Hays Aquatic Park attendance is similar to last year. It is good to see people getting back out and enjoying our community. She thanked the outside agencies that presented this evening. She noted how much she appreciates the work the CARE Council does and thanked them for the important work they do.

Commissioner Ruder agreed the work they do in these trying times is very important. He also appreciates how well all of these organizations work together.

Mayor Musil stated there are so many individuals and organizations trying to make our community a better place and he appreciates what they do for the City of Hays.

The work session was adjourned at 8:32 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk