

City of Hays
City Commission
Work Session Notes

Thursday, June 20, 2019 – 6:30 p.m.

Present: Henry Schwaller, IV, Shaun Musil, Sandy Jacobs, Eber Phelps, Todd Powell, Toby Dougherty, and Kim Rupp

Absent: Ron Mellick

June 6, 2019 Work Session Notes

There were no corrections or additions to the minutes of the work session held on June 6, 2019; the minutes stand approved as presented.

2020 Budget Presentations – Outside Agencies

The following agencies presented requests for Outside Agency funding in the 2020 Budget:

Grow Hays

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

Fort Hays State University Scholarship Program

Dr. Joey Linn, Vice President for Student Affairs \$100,000

CARE Council – Social Services/Special Alcohol Tax

Sherry Dryden, Executive Director of United Way of Ellis County and Korinna Parker, incoming CARE Council Chair \$168,000

Downtown Hays Development Corp. (DHDC)

Sara Bloom, DHDC Executive Director and Alaina Cunningham, DHDC Board President \$50,973

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.

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

Property/Liability Coverage Renewal – 2019/2020

Kim Rupp, Director of Finance, stated the City's Property/Liability Coverage is up for renewal on July 1, 2019. Arthur J. Gallagher provides for oversight for the City as the Insurance Broker. Arthur J. Gallagher had conversations with other insurance carriers and concluded that Midwest Public Risk (MPR) offered the lowest cost option for the renewal of the City's package. City staff recommends pursuing the 2019/2020 Property/Liability Coverage renewal with the incumbent as per the expiring policies.

Mr. Rupp stated the City changed from Brit Insurance to Midwest Public Risk back in 2017. Our broker did poll the market place and both Brit & Travelers Insurance, who we've had insurance with before declined to quote as they could not provide a competitive bid. The City's renewal for the next year 2019-2020 is an increase of \$4,475 or a 2% increase. That increase was capped at 2% for all members of MPR for this renewal; however, given a reappraisal that was conducted in August of 2018, he cautioned that we will likely see a significant increase in our required contributions at the next renewal given values have jumped quite a bit. The most notable change was in buildings with an increase of almost \$15.6 million.

Mr. Rupp also noted 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 & site-based training which our Police Department took advantage of this past year saving about \$2,000 in online training expenditures.

The City also took advantage of the loss control credit program MPR offers. With this program, 3% of the City's contribution is set aside each year that is designed to be used for projects that specifically reduce exposure to future

property/liability and work comp claims. This past year the City was able to purchase safety communication devices for several buildings, an AED device for CVB, desk risers for several employees, and new access control devices for City Hall all totaling more than \$13,000 in contributions returned to the City. He added that staff has been very pleased with our experience the past two years with MPR both in services offered and claims response.

Christina Delz, with our broker AJ Gallagher, provided some perspective as to the state of the market. She noted that the average property rate increases are up about 6% in the first quarter of 2019. The City's total insurance premium increase of 2% is outperforming the rest of the market. MPR created a significant savings by changing liability carriers to help drive down the premium increase.

Jason McMahon, Risk Management Advisor with Midwest Public Risk, stated we have wonderful parks and it is obvious the City has certified playground inspectors on staff because the parks are in very good condition. He was concerned that the City of Hays may not have proper values on their properties, some may be over insured and some may be under insured. He stated MPR met with City staff and experts in real estate appraisal and agreed upon a value. He stated they want to make sure the City has the coverage it needs. Mr. Rupp noted that our contributions paid for the cost of the reappraisals.

Mayor Schwaller stated he has not seen this level of analysis before and he appreciates the information.

At the June 27, 2019 Commission meeting, Commissioners will be asked to authorize the City Manager to renew the 2019/2020 Property/Liability Coverages with the MPR package in the amount of \$228,228.26 to be funded from the Intergovernmental Insurance and Surety line item.

Other Items for Discussion

City Manager, Toby Dougherty, provided an update on the R-9 Ranch Project. He stated the Master Order was issued and at this point there are two opportunities for intervention from an outside party. Entities can petition the

Secretary of Agriculture for a review of the order. There was a petition to review the order and the Secretary declined the review.

Mr. Dougherty added that with any state decision there is an opportunity to petition for judicial review. A group called WaterPACK the Water Protection Association of Central Kansas; our only opposition in the project, filed a petition for judicial review with the court in Edwards County. Essentially the petition said they don't agree with the Chief Engineers findings on the Master Order. The Chief Engineer pointed out that their points were not relevant to the situation and there was no new information introduced. The petition creates a legal interaction between WaterPACK and the Division of Water Resources. The Division of Water Resources will file their response to the petition on June 28, 2019. On that day it is our Attorney's intention to file a motion to intervene on behalf of the City of Hays and the City of Russell. The judge would determine what the procedure is going forward.

Commissioner Jacobs stated the Tour die Kapellen, which is a bicycle tour of the chapels in the area, will be held this weekend. She thanked CVB, DHDC, and Kay Werth for bringing people to our community for this fun event.

Executive Session

Henry Schwaller, IV moved, Shaun Musil seconded, that the Governing Body recess to executive session at 7:30 p.m. for 30 minutes to discuss matters related to attorney-client privilege information. The executive session included the City Commission, City Attorney, and City Manager. K.S.A. 75-4319 authorizes the use of executive session to discuss the topics stated in the motion.

Vote: Ayes: Henry Schwaller, IV
Shaun Musil
Sandy Jacob
Eber Phelps

No action was taken during the executive session.

The work session was adjourned at 8:00 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk