

City of Hays
City Commission
Work Session Notes

Thursday, July 16, 2020 – 6:30 p.m.

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

July 2, 2020 Work Session Notes

There were no corrections or additions to the minutes of the work session held on July 2, 2020; the minutes stand approved as presented.

ARC Park Request for Seven Hills Playground Installation

Sarah Meitner, Board President of The Arc of Central Plains, Inc., stated for almost two years, they have worked to raise funds to build the Hays Accessible Recreation Complex (ARC) at Seven Hills Park, 33rd and Hillcrest Drive. The fully accessible park will create a more inclusive and welcoming community for people of all ages and abilities. It will give people with disabilities access to a safe play space, while increasing healthier behaviors, fostering self-empowerment, and allowing for side-by-side play with those who don't have disabilities. Ms. Meitner reviewed the proposed phases of development:

- Phase 1: The fully accessible 15,500 square foot playground at a cost of \$774,614
- Phase 2: The splash pad and parking lot
- Phase 3: The fully accessible baseball field

Ms. Meitner noted that they have collaborated with Parks Director, Jeff Boyle, who made some suggestions regarding fencing, shade structures, sidewalk, and other small changes to make best use of City maintenance funds going forward. Mr. Boyle provided an estimated annual maintenance cost of \$1,114 per year which includes trash removal, mowing, and equipment inspection.

Ms. Meitner stated they have received funds from more than 750 donors including businesses, organizations, individuals, and children. The group has raised \$672,860 in just under two years. To close the gap and proceed, the ARC of Central Plains is willing to put in the additional funds needed to move forward.

The group is asking for the Commission's permission and support to order equipment and proceed with construction of Phase 1 of the ARC Park. The City Attorney crafted an agreement that would be enacted if the City Commission chooses to approve the request.

Vice-Mayor Jacobs thanked them for their fundraising efforts and stated this group is prepared to improve a playground owned by the City, making it accessible to everyone. Ms. Jacobs recommended that the City of Hays commit to finish Phase 1 of the ARC Park by committing up to \$100,000 or whatever amount remains up to that figure. She does not want to start a project that we do not know today can be finished. She believes this will be a huge asset to our community and wants assurance that it will be completed on time and with the contribution from the City we can do that. She also asked her fellow Commissioners to consider funding the installation of the parking lot as part of Phase 1.

Mayor Musil agreed and stated he would love to get this done if the City can find funding. He believes that the majority of this community is in favor of this park and he believes once construction begins the fundraising will continue.

Commissioner Ruder thinks this is a great opportunity to work together and feels this park has some fantastic equipment that is all inclusive for people of any age, size, and ability. He thinks this will be a good bonding experience for everyone in the community.

Commissioner Mellick stated that he has no problem with the City partnering on this project, but would like to wait to see how Covid-19 will affect the City budget. He is in favor of looking into it, but is concerned about where the money will come from and will not commit to it until that is decided.

Toby Dougherty, City Manager, stated without taking away from operations, the Commission has two choices for funding this project. The first is

the Commission Capital Reserve; this is the money set aside each year essentially to pay cash for street projects in lieu of bonding them. The second is the quarter-cent sales tax the City will be getting from the County that will begin in October. It is estimated the proceeds from that tax will generate an additional \$700,000 of annual sales tax revenues. The Commission has had preliminary discussion regarding those funds, but has not made any firm decisions moving forward. He feels this would be the funding source that would detract the least from operational funds.

Vice-Mayor Jacobs agreed and feels that money should be used for quality of life issues and this is a wonderful quality of life piece. She noted that we cannot commit funds to the parking lot until we know what those costs will be, but it doesn't take away from her commitment to the \$100,000 to finish Phase 1 of this project.

Ms. Meitner stated the estimate they got for the parking lot about a year ago was just under \$200,000 for 43 stalls and a drop off drive.

Mr. Dougherty stated he feels this is a good estimate, but if the City Commission is considering funding this, he suggested getting a firm cost estimate from an engineer before the Commission obligates funds for the project.

It was the consensus of the Commission that the City Manager acquire an engineer's cost estimate for the parking lot at the ARC Park.

2020 Budget Stabilization Transfer

Kim Rupp, Director of Finance, stated the City of Hays Comprehensive Financial Management Policy requires that 25% of General Fund Operating Expenditures be maintained in the Budget Stabilization Reserve Fund (BSR).

While no funds have been expended from the BSR since its inception, a slow increase in operating expenditures over the past fifteen years now makes it necessary to subsidize the BSR. An amount of \$250,000 will comply with the Comprehensive Financial Management Policy and provide for future growth in General Fund Operating Expenditures.

This transfer can be accomplished by lowering the 2020 budgeted transfer to Commission Capital Reserve (CCR). The net effect will leave a transfer to CCR in the amount of \$469,057. Both transfers will be scheduled at year end 2020.

In 2004 the residents of the City of Hays voted to replace the mill levy in the general fund with a $\frac{3}{4}$ cent sales tax. From January 1, 2005 to December 31, 2005 the additional $\frac{3}{4}$ cent sales tax was collected to establish the BSR for the General fund. Therefore, during that year, both the new sales tax and ad valorem were collected creating the BSR. Beginning January 1, 2006 the additional $\frac{3}{4}$ cent sales tax replaced the mill levy in the general fund. As a reference, local sales tax budgeted for 2020 is equivalent to approximately 32.6 mills. The creation of the Comprehensive Financial Management Policy ensured the BSR would remain funded and also directed its usage going forward.

At the July 23, 2020 Commission meeting, Commissioners will be asked to direct the City Manager to transfer \$250,000 into the Budget Stabilization Reserve to be funded from the 2020 budgeted Commission Capital Reserve Transfer.

2021 Budget Discussion

The 2021 Budget was presented to the City Commission at the July 2, 2020 Work Session. Toby Dougherty, City Manager, reviewed the allocations for outside agency funding. He stated the 2021 Budget included \$87,500 for Grow Hays which was last year's budgeted amount, but they had requested \$100,000.

Vice-Mayor Jacobs stated Grow Hays has done a great job, but she thinks the community needs to be involved. She recommended funding them at \$100,000 for 2021, but asked that next year they reach out to the private sector and not ask for more than can be matched by the private sector.

She also suggested Downtown Hays Development Corp. (DHDC) be funded at their requested amount of \$53,655.

Commissioner Mellick was not in favor of increasing either one, but to continue funding them at the same amount as was given last year. He stated

again we don't know what will happen with Covid-19 and how that will affect the City budget. Everyone has to tighten their belt to get through this.

Commissioner Berges proposed cutting Fort Hays State University (FHSU) funding from \$100,000 to \$90,000. He thinks if there is one entity that can raise funds when needed, FHSU is that entity. He added that local entities strive to meet their budgets.

Vice-Mayor Jacobs did not agree and feels with the size of our budget and the things we need to do for this community we are nickel and diming this.

Mayor Musil did not agree with cutting funding for FHSU considering all they do for this community. Every person and business has been hit by the coronavirus, but FHSU is going to bring us back. He added that what FHSU brings to the community when school is in session is incredible.

Commissioner Ruder stated staff did a great job tightening their belt when preparing the 2021 Budget and he sees the outside agency funding as an investment part of the budget. He noted that we have seen all of these entities deliver time and time again and he doesn't think the amounts they are requesting are exorbitant. He would be in favor of moving forward with their full requests. He encouraged these agencies to make sure they are utilizing those funds wisely.

Commissioner Mellick stated it took years of saying no to projects to get to "pay as you go" and it is easy to slip back into bonding projects again. We have worked very hard over the years to budget our money to get to this point and he does not want the City to get away from "pay as you go" for big projects. He would prefer to keep those entities funded at last year's amounts.

Vice-Mayor Jacobs stated if the Commission doesn't fund DHDC at their requested amount they would be taking \$2,684 away from an organization that has done so much for our downtown and has made us a destination of choice in this state.

It was the consensus of the Commission to fund DHDC and Grow Hays at their requested levels.

Mr. Dougherty stated all other outside agencies asked for what they requested last year, but the Historical Society did ask for \$3,000 more. They received \$12,000 the last few years and asked for \$15,000 for 2021.

Vice-Mayor Jacobs stated she hasn't seen anything happening with the Historical Society that would make her think that they should further invest in it at this time. If they came forward with a plan it may be different, but today she would not be in favor of increasing the funding.

It was the consensus of the Commission to keep the funding for the Historical Society at \$12,000 for 2021.

City Manager, Toby Dougherty, asked if there were any questions, concerns, or suggested changes to the budget. At the July 23, 2020 Commission meeting, the Commissioners will be asked to schedule a public hearing date for the 2021 Budget. Mr. Dougherty clarified that once the public hearing is set the mill levy can't be increased. He added that hopefully they will have received new sales tax numbers including July receipts before the public hearing.

Finance Director, Kim Rupp, stated that the sales tax and transient guest tax numbers may not be as dismal as they thought and they hope to have new numbers to report next week.

Other Items for Discussion

Mayor Musil, stated City Manager, Toby Dougherty and City Attorney, John T. Bird prepared a draft ordinance making it mandatory to wear a face mask in public. Noting the increase in coronavirus cases in Hays, he stated if we have another week like last week he thinks it may be time for this mandate. He added that several national businesses, including Walmart and Kroger, will require customers and employees to wear masks. He feels it is the right thing to do and we need to take care of our community.

Vice-Mayor Jacobs agreed and said if these numbers continue to grow she would be ready to make that decision next week. She also thanked each of the Commissioners for the work they do and the time and energy they put into each decision they make.

Commissioner Ruder stated he asked his physician if he thought it was time to mandate masks and he said it was time a few weeks ago. He added that he does not like the strong arm of mandates and clarified that they are not trying to take citizen's rights away; they just want everyone to work together and tackle this thing before it becomes a bigger issue than it is. He added that this virus is not going away so let's mitigate it before we need to shut down again.

Commissioner Berges reiterated his support for wearing masks. He added that defiance is absurd at this point, more and more businesses are requiring that you wear a mask. If we wear them religiously, maybe we can get through this more quickly.

Commissioner Mellick stated he thinks we are all going to get the coronavirus at one time or another, but the biggest concern is that we don't overwhelm our healthcare system.

The work session was adjourned at 7:31 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk