

MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF HAYS, KANSAS  
HELD ON FEBRUARY 14, 2013

**1. CALL TO ORDER BY CHAIRMAN:** The Governing Body of the City of Hays, Kansas met in regular session on Thursday, February 14, 2013 at 6:30 p.m.

Roll Call: Present: Kent Steward  
Henry Schwaller IV  
Ron Mellick  
Eber Phelps

Absent: Troy Hickman

Vice-chairperson Steward declared that a quorum was present and called the meeting to order.

**2. MINUTES:** There were no corrections or additions to the minutes of the regular session held on January 24, 2013; the minutes stand approved as presented.

**3. CITIZEN COMMENTS:** There were no comments.

**4. CONSENT AGENDA:** Henry Schwaller IV moved, Ron Mellick seconded, that Mehran Shahidi be appointed to the Sister Cities Advisory Board for a three-year term to expire January 1, 2015.

Vote: Ayes: Kent Steward  
Henry Schwaller IV  
Ron Mellick  
Eber Phelps

**UNFINISHED BUSINESS**

**5. REQUEST BY ELLIS COUNTY – SUPPORT FOR SALES TAX LEGISLATION – CONSIDERATION OF INTERLOCAL AGREEMENT & LETTER OF UNDERSTANDING:** At the January 24, 2013 Commission

meeting, the Commissioners requested staff draft an Interlocal Agreement that states the City would rebate the City's share of any sales tax monies collected through a county-wide ½ cent sales tax, if approved by the voters, to Ellis County so the debt for County projects can be retired faster.

Ellis County Administrator Greg Sund stated that an Interlocal Agreement would allow the County to put before the voters a ballot question regarding the implementation of a sales tax for Ellis County projects sooner than waiting for legislative approval.

Henry Schwaller IV moved, Eber Phelps seconded, that an Interlocal Agreement and Letter of Understanding between the City of Hays and Ellis County be approved.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Ron Mellick

Eber Phelps

## **NEW BUSINESS**

### **6. OVERLAND PROPERTY GROUP, LLC – RESOLUTION OF SUPPORT**

**AND RHID REQUEST:** Commissioner Schwaller left the Commission chambers during discussion and vote on this item. He did not feel it was appropriate for a Commissioner to design an incentive package for someone that may benefit him or her in the future.

Overland Property Group, LLC has submitted an application for tax credits to help finance the construction of additional apartments in Hays. Their proposal is for the development of rental housing to be located on 22<sup>nd</sup> Street directly south of Hays Medical Center. The development will contain up to 32 units. As part of the tax credit process, Overland Property Group is requesting a Resolution of Support from the City of Hays for submission in February.

As a secondary request, Overland Property Group is requesting the creation of a Rural Housing Incentive District (RHID) to fill financing gaps. The

RHID request is for May, which allows further study and consideration if desired. Staff has developed a white paper on this economic development tool. The Commissioners were requested to approve the City Manager drafting a letter of support stating the Commission is considering an RHID policy. This is a non-binding letter.

Pat Beatty, representing Overland Property Group, appeared before the Commissioners to discuss the project and answer questions from the Commissioners. He also explained how implementing a RHID would help Overland Property Group keep down their costs. Federal tax credits help finance the development and cost of construction; RHIDs reduce the cost of operation.

Ron Mellick moved, Eber Phelps seconded, that Resolution No. 2013-003 be approved in support of the housing development proposed by Overland Property Group, LLC, as well as authorizing the City Manager to sign a letter of support stating the Commissioners are considering a Rural Housing Incentive District for this project.

Commissioner Steward stated that he will vote no on this resolution for several reasons. He struggled to support Overland Property Groups past housing projects in Hays. The citizens of Hays pay both federal and local taxes. The fact that Overland Property Group is going to dip into the taxpayers' pockets at both the federal and local level is not something he can support. A RHID would allow Overland Property to recoup incremental property taxes for up to 15 years. He does not support the creation of a RHID because other individuals and/or businesses pay their fair share of property tax while a RHID would not. Nor would they pay their fair share of the increased costs of city services, putting the burden on the rest of the taxpayers. The apartments are priced way below the market rate which gives Overland Park an unfair advantage over existing landlords.

Commissioner Mellick stated he will vote for the resolution. The Comprehensive Plan identifies the need for housing in this community. He agrees with Commissioner Steward, but if Hays does not take advantage of the

tax credit program, other communities will. He does not want to cripple our population growth and future expansion by denying this request.

Commissioner Phelps commented that there is lack of housing in Hays and he is really impressed with past projects done by Overland Property Group.

Vote: Ayes: Ron Mellick

Eber Phelps

No: Kent Steward

Not Voting: Henry Schwaller IV

Commissioner Schwaller rejoined the Commission meeting.

**7. 2013 STREET MAINTENANCE PROGRAM – AWARD OF BIDS:** Henry Schwaller IV moved, Ron Mellick seconded, that the following bids be approved and the City Manager be authorized to enter into a contract with:

- B&H Paving, in the amount of \$125,158.44 for chip seal
- Stripe & Seal, in the amount of \$90,79.46 for seal coat
- Stripe & Seal, in the amount of \$42,450.00 for polypatch
- Iowa Erosion Control, in the amount of \$22,500.00 for diamond grinding
- Bryant & Bryant, in the amount of \$108,625.00 for curb and brick repair
- Proseal, in the amount of \$26,244.00 for preservative seal

Vote: Ayes: Kent Steward

Henry Schwaller IV

Ron Mellick

Eber Phelps

**8. BUSINESS LICENSE FOR HAYS REGIONAL AIRPORT:** Rex Chambers, representing Aces High Aircraft Refinishing, has acquired hangar G-9 with intent to perform refinishing and custom painting of certified aircraft. City code requires Commission approval of applications to operate commercial businesses on airport property. The business permit is required before he can acquire a building permit to remodel the hangar. The Airport Advisory Board supports the business development.

Henry Schwaller IV moved, Ron Mellick seconded, that the Business Permit Application submitted by Aces High Aircraft Refinishing be approved, conditioned on securing necessary insurance.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Ron Mellick

Eber Phelps

**9. AWARD OF BID – SAND FILTER BUILDING AND MAIN CONTROL**

**BUILDING ROOF:** Ron Mellick moved, Eber Phelps seconded, that the City Manager be authorized to enter into a contract with Roofmasters Roofing for \$50,100 to replace the Sand Filter Building and Main Control Building roofs at the Wastewater Treatment Plant.

Vote: Ayes: Kent Steward

Henry Schwaller IV

Ron Mellick

Eber Phelps

**10. SCADA UPGRADES AT THE WASTEWATER TREATMENT PLANT:**

The SCADA equipment at the Wastewater Plant is in need of an upgrade which includes modifications to the Blower Building Control System, the Reclaimed Water System, the Plant Effluent Ammonia Analyzer and the Chlorine and Sulfur Dioxide Feed System. These modifications will allow the Wastewater Treatment Plant to stay in compliance with the NPDES permit and also save on electrical costs and overtime by eliminating operators having to perform a plant check every night.

Ron Mellick moved, Henry Schwaller IV seconded, that the City Manager accept the quote from R. E. Pedrotti Company, in the amount of \$74,635, for installation of SCADA equipment at the Wastewater Treatment Plant and approve R. E. Pedrotti as the sole source vendor for SCADA equipment.

Vote: Ayes: Kent Steward  
Henry Schwaller IV  
Ron Mellick  
Eber Phelps

**11. REPORT OF THE CITY MANAGER:** City Manager Toby Dougherty updated the Commissioners on a letter he had received from a person who was interested in knowing the costs for developing a piece of property for commercial use. This will also be on the Ellis County Commission meeting agenda on February 18, 2013. The party is asking for a tax abatement to develop the property which is outside of the city limits.

**12. COMMISSION INQUIRIES AND COMMENTS:** At Commissioner Mellick's request, discussion was held regarding what effect any expansion at the Ellis County Courthouse would have on the Police Department.

The City Manager stated that the Police Department is a tenant in the LEC building. The City was consulted in 2009 when the original architect was hired to conduct a space needs report. The Police Department could use extra space however; the City has not been part of the planning process since 2009. The County provides the space and the 800 megahertz radio equipment; the City provides the salaries and benefits for all the dispatchers. There is no other monetary consideration.

The meeting was adjourned at 7:51 p.m.

Submitted by: \_\_\_\_\_

Doris Wing – City Clerk