

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON SEPTEMBER 24, 2015

1. CALL TO ORDER BY CHAIRMAN: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, September 24, 2015 at 6:30 p.m.

Roll Call: Present: Eber Phelps
Shaun Musil
James Meier
Henry Schwaller IV
Lance Jones

Chairperson Phelps declared that a quorum was present and called the meeting to order.

2. PROCLAMATION – PHYSICAL THERAPY APPRECIATION MONTH: Mayor Phelps read a proclamation recognizing October 2015 as physical therapy appreciation month and encouraged citizens to acknowledge and be aware of the important role that physical therapists and physical therapy assistants play in helping to decrease pain, improve mobility, and engage in healthy lifestyles.

3. MINUTES: There were no corrections or additions to the minutes of the regular session held on September 10, 2015; the minutes stand approved as presented.

4. FINANCIAL STATEMENT: Finance Director, Kim Rupp, presented the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended August 31, 2015. Month-to-date general fund sales tax collections were at \$642,316 which is an increase of \$25,313 as compared to last year. Year-to-date general fund collections are at \$4,979,138, up \$144,728 or 2.83%.

The Finance/City Clerk's Office invested \$3,000,000 of maturing or renewing certificates with a weighted average interest rate of .34%. The portfolio of certificates of deposit on August 31, 2015 totaled \$53,350,000 with a weighted

average interest rate of .26%. The total balance of the Money Market account on August 31, 2015 was \$1,000,000 with a current yield of .20%. Total investments are up \$1,150,000 when compared to this time last year.

Shaun Musil moved, James Meier seconded, that the Financial Statement for the month of August, 2015 be approved.

Vote: Ayes: Eber Phelps

Shaun Musil

James Meier

Henry Schwaller IV

Lance Jones

5. CITIZEN COMMENTS: There were no comments.

6. CONSENT AGENDA: The following proposed mayoral appointments were presented and are scheduled for approval at the October 22, 2015 City Commission meeting.

Hays Convention and Visitors Bureau Advisory Committee

Sharon Juenemann (Hotel Rep) – unexpired term to expire December 1, 2017
(1st term)

Sean Patel (Hotel Rep) - unexpired term to expire December 1, 2017 (1st term)

NEW BUSINESS

7. USACE SECTION 205 STUDY – SURVEY AND GEOTECHNICAL

SERVICES: The City of Hays entered into a study cost share agreement with the United States Army Corps of Engineers (USACE) under the Section 205 Small Project Program to study the Lincoln Draw watershed. The study will look at potential locations for detention basins within the Lincoln Draw watershed to reduce flood risk within the watershed. The City of Hays is proposing to meet certain obligations under this agreement through in-kind services which will

include work performed by City staff and work contracted to outside engineering firms.

Steven Walters, Stormwater Specialist, reported that City staff issued a request for proposals for land survey and geotechnical services to be contracted as in-kind services as part of the study cost share agreement. The proposed contract will be used to meet the 2015 and part of the 2016 monetary obligations for the cost share agreement. Because the City is looking to contract surveying and geotechnical services directly, the work product will be the property of the City that will be useful even if there is a decision at some point to discontinue the relationship with the US Army Corps of Engineers for the Section 205 Study or potential subsequent project.

City staff negotiated with three firms; Olsson Associates provided the low bid in the amount of \$109,365. The survey work is expected to cost \$46,000 and geotechnical services \$63,365.

Lance Jones moved, Shaun Musil seconded, to direct the City Manager to execute a contract with Olsson Associates for field services in the amount of \$109,365 to be funded out of the Stormwater Reserve Fund.

Vote: Ayes: Eber Phelps

Shaun Musil

James Meier

Henry Schwaller IV

Lance Jones

8. KANSAS WATER POLLUTION CONTROL REVOLVING FUND LOAN

ORDINANCE: As has been discussed for several weeks, the City's wastewater plant is at the end of its useful life and more stringent environmental regulations have forced staff to seek a major improvement project. The facility plan estimates total project costs including financing in the amount of \$30,260,000.

Finance Director, Kim Rupp, reported on several options available to finance the project; general obligation bond, utility revenue bond, and the state revolving fund loan. After review City staff feels the Kansas Water Pollution

Control Revolving Fund (SRF) Loan is the best source of funding the project costs. Mr. Rupp explained the advantages of the SRF loan which include:

1. A subsidized interest rate and administrative fee of between 2.25% and 2.35% is anticipated.
2. There are no closing costs associated with the loan.
3. The loan disbursements are made as needed so the City is not paying interest until it needs the funds.
4. The interest on the loan from the first disbursement until the first principal and interest payment can be capitalized into loan principal.
5. The first full principal and interest payment is not due until two years after the first loan disbursement.
6. The City has 20 years to pay back the loan with semi-annual payments.

James Meier moved, Lance Jones seconded, to approve Ordinance No. 3903 authorizing the Kansas Water Pollution Control Revolving Fund Loan financing the City of Hays Wastewater Treatment Plant Improvements Project in the amount of \$30,260,000.

Vote: Ayes: Eber Phelps

Shaun Musil

James Meier

Henry Schwaller IV

Lance Jones

9. COMMISSION AUTHORIZATION TO RELEASE \$25,000 FOR AIRPORT

MARKETING: City Manager, Toby Dougherty, updated the Commissioners on the upcoming Airport marketing campaign as well as the process for the 2016 Essential Air Service (EAS) contract bids. He stated because of scheduling conflicts early this year, the City lost its early morning flight for two months and enplanements have decreased since then. The morning flight was restored and we would like to see those using the flight increase. The new campaign will emphasize the convenience, reliability, and affordability of the Hays Regional Airport. He stated we need to get the message out to the public that we need to

utilize our airport; if we don't have enough passengers utilizing the airport we aren't going to have commercial service at the airport to utilize.

There was \$25,000 pledged for marketing efforts for the Hays Regional Airport, and City staff is ready to begin the fall marketing campaign. Because these monies come from City Commission Financial Policy Projects, it requires action of the Commission to release the funds.

Shaun Musil moved, James Meier seconded, to authorize the expenditure of \$25,000 from the Financial Policy Projects line item to fund marketing efforts at the Hays Regional Airport.

Vote: Ayes: Eber Phelps

Shaun Musil

James Meier

Henry Schwaller IV

Lance Jones

10. REPORT OF THE CITY MANAGER: The City Manager had no additional items to report on.

Shane Scranton, City Manager Office Intern, presented a monthly report of city-related activities, services, and programs.

11. COMMISSION INQUIRIES AND COMMENTS: Commissioner Jones commented he is glad to have the progress report back.

Chairperson Phelps asked if there is an issue with our parks being vandalized.

City Manager, Toby Dougherty, stated it is not out of control, but we do have a normal amount of vandalism.

The meeting was adjourned at 7:14 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk